2000-2001

EXPENDITURE BUDGET

VOLUME II

Message from the President of the Conseil du trésor and Additional Information

Prepared by
Conseil du trésor

Québec

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FOREWORD

Information on the Expenditure Budget of the Government of Québec for the 2000-2001 fiscal year is found in the three following documents:

Volume I : *Estimates*
Volume II : *Message from the President of the Conseil du trésor and Additional !nformation*
Volume III : *Department Expenditure Management Plans*

Volume I presents the appropriation estimates required by the government for the 2000-2001 fiscal year. It distinguishes between appropriations, the expenditure budget and the capital budget. Appropriations are broken down by department and program. They are obtained by deducting depreciation from the expenditure budget and by adding the capital budget.

Volume II contains an overview of the Expenditure Budget and additional information on certain particular aspects. The message from the President of the Conseil du trésor concerning the Expenditure Budget is found at the beginning of this volume.

Volume III presents the *Department Expenditure Management Plans*. These plans provide an explanation of the Expenditure Budget and Capital Budget for each department and agency. Information is particularly given on their strategic orientations.

PREFACE

The Estimates are tabled in the National Assembly before the beginning of each fiscal year. Explanations of the expenditure budget are found in the Expenditure Budget, Volume II: Message from the President of the Conseil du trésor and Additional Information.

In his message, the President of the Conseil du trésor highlights noteworthy items in the 2000-2001 Expenditure Budget. He relates the expenditure budget to government targets and priorities. The Message from the President of the Conseil du trésor precedes additional information provided in chapters 1 to 11.

Chapter 1 is an overview of the 2000-2001 Expenditure Budget. A summary is provided of the change in expenditures from the previous fiscal year and the change in the program spending objective for 2000-2001.

Chapter 2 shows the changes in 1999-2000 expenditures from the forecast at the beginning of the year. It contains a reconciliation of authorized credits, including supplementary credits authorized during the year, and probable expenditure.

Chapter 3 presents a breakdown of appropriations by overall expenditure category and by beneficiary group receiving these resources.

Chapter 4 sums up the budgetary impact of collective agreements signed in 1999 for the years 1998-1999 to 2002-2003.

Chapter 5 examines the 2000-2001 Expenditure Budget and the change in expenditures since 1997-1998 from the viewpoint of missions that correspond to the major functions of the state.

Chapter 6 reports on the government's defined-purpose accounts that are not part of the expenditure budget.

Chapter 7 presents the government's consolidated expenditures and the line item consolidated results of agencies and special funds.

Chapter 8 gives information on forecast capital investments for 2000-2001 — not only those presented in the Estimates, but also the capital investments of agencies and special funds, as well as the subsidized capital investments in the municipal, education, and health and social services sectors.

Chapter 9 reports on the modernization of the public administration and provides an overview of Bill 82 on public administration.

Chapter 10 shows the change in staff level of the departments and agencies appearing in the 2000-2001 Estimates.

Chapter 11, analyzes the change in government spending over different periods since 1985-1986. Trends are shown by major spending sector and comparisons are made with other provinces.

Finally, the appendices present series of historic economic and budgetary indicators from 1985-1986 to 2000-2001 which serve as a reference to the analyses contained in the various chapters.

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MESSAGE FROM THE PRÉSIDENT OT THE CONSEIL DU TRÉSOR

MESSAGE FROM THE PRESIDENT OF THE CONSEIL DU TRÉSOR

RIGOROUS MANAGEMENT AND ECONOMIC PERFORMANCE
PROVIDE QUÉBEC
WITH THE MEANS TO INVEST IN ITS PRIORITIES

1. EFFORTS THAT ARE PAYING OFF

As we enter the year 2000, Quebecers have every reason to be proud of the results achieved in terms of public finances.

The efforts we have made as a society to eliminate the deficit are paying off. Québec's Budget is balanced for the third year in a row. With health restored to the government's finances, we can now capitalize on the remarkable vitality of our economy to invest in our priorities.

We have larger budget surpluses than forecast. And we are returning these gains to Quebecers. Part is being used to cut personal income tax. The other part is being reinvested in our public services.

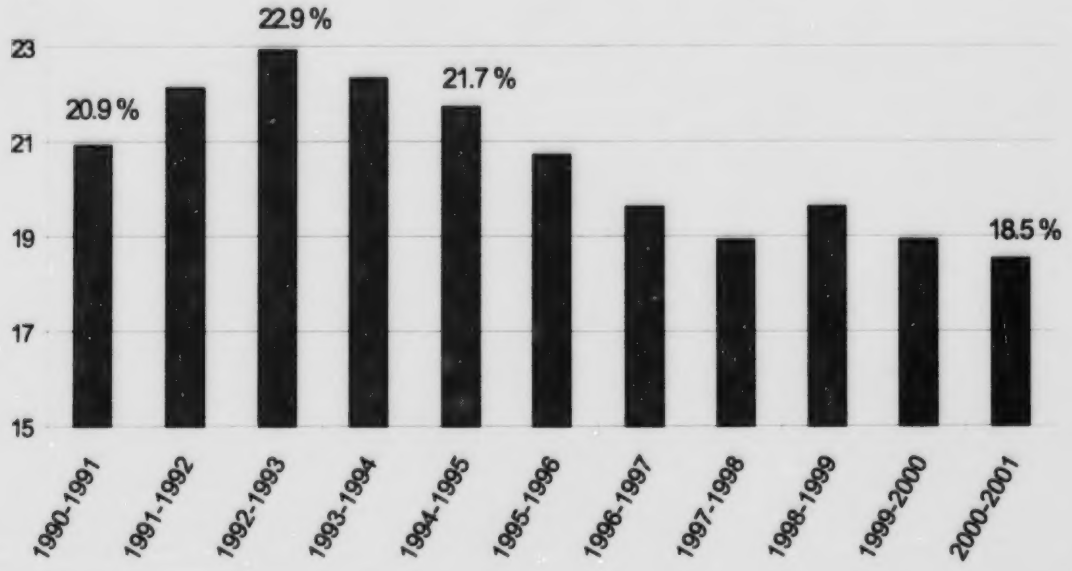
Budgetary rigor is maintained, concurrently with the major investments we have decided to make this year. The additional spending is targeted to meet priority needs. It is not funded by borrowing, but with the increased revenue generated by an economy that is performing better than expected.

The government has this leeway because it restored order to public finances and is continuing to control its spending.

Over the last five years, program spending as a proportion of economic output has consistently decreased, from 21.7% in 1994-1998 to 18.9% in 1999-2000. In 2000-2001, it will decline to 18.5%, its lowest level since the early 1970s.

That is a sign of sound management.

Program spending as a % of GDP

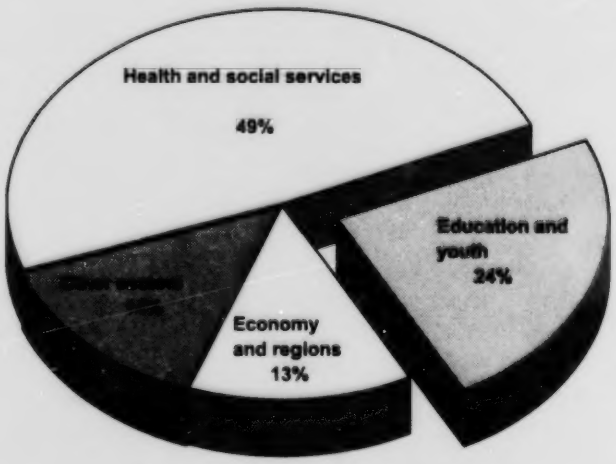


2. *INVESTMENT IN QUEBECERS' PRIORITIES*

The government's improved budget situation means that massive reinvestments can be made in our public services. Since the beginning of fiscal year 1999-2000, the additional resources provided amount to $1.9 billion in the fiscal year ending March 31, 2000 and $3.1 billion in fiscal year 2000-2001.

In keeping with our commitment, health, education and youth have been the top priorities for investing these additional resources. Almost half the new resources are allocated to health. Investments in education and youth account for about one quarter of the total. The rest of the additional resources are invested more specifically in economic transformation and the regions.

Additional resources allocated for 1999-2000 and 2000-2001



Health and social services

The additional resources allocated to the health and social services sector total $782 million for 1999-2000 and $1,704 million for 2000-2001. This does not include an additional envelope of $200 million in 2000-2001 for the purchase of new medical equipment. The Québec government is accordingly allocating $2,686 million in additional resources to health and social services for these two fiscal years.

These resources are provided essentially for three purposes:

— *network funding is being increased by $574 million in 1999-2000 and $1,165 million in 2000-2001 in order to ensure balanced budgets for institutions and to enable them to absorb the growth in their operating costs, including pay increases;*

— *a new envelope of $200 million is invested in 2000-2001 to develop services tied to priority needs. Additional resources of $29 million in 1999-2000 and $72 million in 2000-2001 are also being allocated to improve existing services;*

— *additional resources of $179 million in 1999-2000 and $267 million in 2000-2001 are allocated to the prescription drug insurance program and for medical services.*

As can be seen, substantial amounts are being invested in health and social services to resolve the difficulties institutions are facing and to improve public services. Along with these investments, financial vigilance will be increased, as institutions will have to balance their books. More efficient management, placing greater emphasis on performance and achieving measurable results, is a necessary condition to maintaining and developing health services and social services.

Education and youth

Additional resources amounting to $538 million for 1999-2000 and $675 million for 2000-2001 are allocated to education and youth. Over these two years, the Québec government is adding $1,213 million for education and young people.

These resources are allocated as follows:

— *$150 million is provided to maintain the financial health of the education networks, including $100 million for the universities in 1999-2000, $40 million for school boards and $10 million for CEGEPs;*

— *additional resources of $138 million in 1999-2000 and $432 million in 2000-2001 are allocated to improve the financial health of education institutions and to fund the growth in operating costs, including pay increases;*

— *an additional envelope of $200 million is earmarked for 2000-2001 to maintain and improve the quality of education services, in keeping with our commitment to invest $1.0 billion over three years in the education networks.*

Moreover, an envelope of $120 million is provided in 1999-2000 for the Youth Fund announced at the Sommet du Québec et de la jeunesse. A further $120 million has been added to the 1999-2000 appropriations of the ministère de la Recherche, de la Science et de la Technologie to support funding for research projects in Québec, especially large-scale projects.

Other measures costing $53 million are stipulated for education and young people. They include an additional budget envelope of $5.8 million for students, to create more summer jobs and public service internships. These programs enable a growing number of young people to acquire their first work experience. In 2000-2001, we expect to welcome more than 5,500 young people to the public service.

After an absence of ten years, Québec's public service is once again on campus to recruit college and university graduates. Over the past year, 55% of new recruits for regular positions within our public service were under 35 years of age.

Québec's economy and the regions

Substantial resources are also being invested for Québec's economy and the regions. These additional resources include:

— *an envelope of $290 million allocated in 1999-2000 to modernize public infrastructures, of which $175 million is earmarked for the municipal sector, $90 million for transport and $25 million for the environment;*

— *an amount of $144 million in the natural resources sector, including $100 million in 1999-2000 for the modernization of pulp and paper mills;*

— *more than $100 million for regional economic development, including $50 million in 1999-2000.*

Furthermore, additional resources of some $120 million are allocated in 2000-2001 to support investment by businesses and to develop e-commerce and the new economy.

The government itself intends to bolster its contribution to the development of the information highway in Québec. Accordingly, annual funding of $15 million is being allocated over the next three years to:

— *implement the technological infrastructures needed to guarantee secure electronic transactions with the government;*

— *contribute to the development of Québec's technological infrastructure and the growth of Québec content.*

3. *SPENDING UP 2.7% IN 2000-2001*

Taken as a whole, the additional investments in public services bring total program spending to $38.3 billion in 1999-2000 and $39.5 billion in 2000-2001. Program spending is up by $1.2 billion, an increase of 3.1% over last year.

Including the government's debt service, which remains roughly stable at $6.7 billion in 2000-2001, the government's expenditure budget amounts to $46.2 billion, i.e. 2.7% more than last year.

2000-2001 Expenditure Budget

	1999-2000	2000-2001	Change	
	$M	**$M**	**$M**	**%**
Program spending	38,274.0	39,460.0	1,186.0	3.1
Debt service	6,724.0	6,750.0	26.0	0.4
Total expenditure	44,998.0	46,210.0	1,212.0	2.7

4. COLLECTIVE LABOUR AGREEMENTS RENEWED FOR FOUR YEARS

The last round of negotiations has led to agreements with the vast majority of public and parapublic sector employees. Not only are these agreements fair to our employees, but they also remain within the government's ability to pay. Last March 22, I had the pleasure of signing the first public sector agreement with the Syndicat de professionnelles et professionnels du gouvernement du Québec.

The result of these negotiations is consistent with the objectives of our pay policy.

First, the pay increases, namely 9.0% over four years, are within Québec taxpayers' ability to pay. These increases generate expenditures amounting to $428 million in 1999-2000 and $870 million in 2000-2001.

Second, these increases are fair to our employees. The pay rises are 1.5% the first year and 2.5% in each of the following three years, and are comparable to wage increases in Québec's economy as a whole. Parity of overall remuneration will be maintained between the public sector and the private sector.

Third, in terms of internal equity, negotiations with nurses and teachers have led to agreements that stipulate corrective measures regarding pay relativity that are compatible with the existing government program in this regard.

For teachers, the adjustment to the pay structure established as part of pay relativity is spread over a period of seven years beginning in December 1995. This adjustment will cost $125 million in 2000-2001 and $156 million as of the following year.

Nurses will receive a pay adjustment consisting of a lump-sum payment corresponding to 3% of salary paid for the period from April 1, 1999 to March 31, 2000. As of 2000-2001, the new pay scales for nurses will generate costs of almost $70 million a year.

5. *A PUBLIC ADMINISTRATION WHICH IS MODERNIZING ITSELF*

Last year, at about this time, I undertook to speed up the modernization of our public administration to enable it to serve Quebecers even better, meet the performance challenge, innovate and be one of the best in the world.

The modernization of public management has advanced significantly over the past year. The policy paper published last June gave rise to extensive consultation in a parliamentary committee and within the public service. The draft legislation respecting public administration, tabled last fall, is now undergoing clause-by-clause study in committee.

My hope is that we will be able to implement this reform during the coming year and begin to appreciate its results.

This draft legislation has three major objectives:

— *improve the quality of services to citizens;*

— *improve the performance of Québec's public service;*

— *make government management more transparent.*

I am convinced that the reform we are initiating will have positive results for parliamentarians, as well as for the citizens they represent. As Members of the National Assembly, we will have better information, expressed in terms of objectives and results. We will be better informed as to the issues, choices made, and costs. We will be in a better position to exercise our duty of oversight. In this way, the actions of parliamentarians and the public service will be more closely linked. Together, we will be able to serve our fellow citizens better.

6. *SPENDING UNDER CONTROL*

In recent years, an unprecedented effort has been made to restore order to Québec's public finances. We balanced the books in 1998-1999 and that has given us the capacity to make choices. We would not have the leeway we enjoy today had we not first restored the government's financial health.

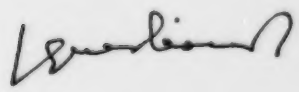
The vigour of Québec's economy provides us with an opportunity to reinvest in public services to meet the priorities expressed by Quebecers.

Having said that, the pressure on spending is still as great. That is why we must not only maintain a balanced budget, as we are required to do, but also manage Québec's public finances prudently. Spending growth is under control and will remain so.

Québec's public administration has every reason to be proud of the ground it has covered and the results achieved.

- *The budget is balanced.*
- *Pay agreements covering four years have been reached.*
- *The public administration is modernizing itself.*
- *Budgetary rigor is maintained.*

That is why Québec has the means to invest in its priorities.



JACQUES LÉONARD

CHAPTER 1
THE 2000-2001 EXPENDITURE BUDGET

CHAPTER 1

THE 2000-2001 EXPENDITURE BUDGET

This chapter presents the highlights of the 2000-2001 Expenditure Budget on an overall basis and by portfolio. It describes the increase in the spending objective since the 1999-2000 Budget Speech and the growth in expenditures compared to 1999-2000.

The budget figures in this chapter correspond to the expenditures shown in the 2000-2001 Estimates and accordingly do not reflect the effect of the consolidation of organizations and special funds.

1. EXPENDITURE GROWTH IN 2000-2001

The Expenditure Budget amounts to $46,210.0 million in 2000-2001, up 2.7% or $1,212.0 million compared to the preceding year.

The growth in the 2000-2001 expenditure budget is essentially allocated to program spending, which amounts to $39,460.0 million in 2000-2001, up 3.1% or $1,186.0 million compared to 1999-2000.

Debt service costs are up $26.0 million, rising from $6,724.0 million in 1999-2000 to $6,750.0 million estimated in 2000-2001, for an annual change of 0.4%.

It should be noted that during the 1990s, program spending has decreased as a percentage of Québec's gross domestic product. This trend continues in 2000-2001. Program spending accounts for 18.5% of Québec's gross domestic product in 2000-2001 compared with 18.9% in 1999-2000. Still, the rise in program spending in 2000-2001 has produced an increase in per capita program spending which, on a nominal basis, rises from $5,211 in 1999-2000 to $5,357 in 2000-2001.

Table 1.1: 2000-2001 Expenditure budget

	2000-2001	1999-2000	Change	
	$M	$M	$M	%
Program spending	39,460.0	38,274.0	1,186.0	3.1
Debt service	6,750.0	6,724.0	26.0	0.4
TOTAL EXPENDITURE	46,210.0	44,998.0	1,212.0	2.7

2. GROWTH IN PROGRAM SPENDING IN 2000-2001

Program spending envelopes for 1999-2000 and 2000-2001 were increased as announced in the last Budget Speech. These increases bring program spending to $38,274.0 million in 1999-2000 and to $39,460.0 million in 2000-2001.

The increase in program spending amounts to $1,947.0 million in 1999-2000. An additional $1,186.0 million has been agreed on for 2000-2001. Consequently, total additional resources allocated amount to $3,222.0 million, including the accounting adjustment of $89.0 million in order to present the data on the same basis, in comparison with the level of 1999-2000 program spending of $36,238.0 million, forecast at the beginning of the fiscal year.

Growth in program spending in 2000-2001 is essentially divided among five departmental portfolios: Santé et Services sociaux; Éducation; Agriculture, Pêcheries et Alimentation; Famille et Enfance; Affaires municipales et Métropole.

Table 1.2 gives a breakdown of the growth in program spending in 2000-2001 by major portfolio.

Table 1.2: Growth in program spending in 2000-2001

	2000-2001 Expenditure Budget	1999-2000 Probable Expenditure	Change	
	$M	$M	$M	%
Santé et Services sociaux	15,456.5	14,34.6	921.9	6.3
Éducation	10,107.5	9,764.1	343.4	3.5
Agriculture, Pêcheries et Alimentation	719.5	533.3	186.2	34.9
Famille et Enfance	1,548.0	1,436.1	111.9	7.8
Affaires municipales et Métropole	1,207.0	1,113.9	93.1	8.4
Other portfolios	10,421.5	10,892.0	(470.5)	(4.3)
PROGRAM SPENDING	39,460.0	38,274.0	1,186.0	3.1

The expenditure envelope for 2000-2001 allocated to Santé et Services sociaux is up by $921.9 million compared with probable expenditure for 1999-2000. The increase in the expenditure budget consists of: $591.1 million for higher network operating costs, including pay increases, $242.8 million for increases to and development of services, and $88.0 million to the RAMQ to fund medical services and for medication.

At the ministère de l'Éducation, the 2000-2001 expenditure envelope is up by $343.4 million compared with probable expenditure for 1999-2000. The increase includes $200.0 million allocated to fund the networks. The rest of the increase is used to fund education networks operating costs, including pay increases.

The 2000-2001 expenditure budget of the ministère de l'Agriculture, des Pêcheries et de l'Alimentation is up by $186.2 million compared with probable expenditure for 1999-2000. This increase is essentially linked to the financing of programs of agricultural revenue insurance and stabilization.

The 2000-2001 expenditure envelope of the ministère de la Famille et de l'Enfance is up by $111.9 million compared with probable expenditure for 1999-2000. This increase stems mainly from the child care services development plan.

Lastly, in spite of an additional $175.0 million allocated to the department in 1999-2000 for insfrastructure modernization, the expenditure budget of the ministère des Affaires municipales et de la Métropole is up by $93.1 million in 2000-2001 compared with probable expenditure for 1999-2000.

The measures announced for 2000-2001 in the Budget Speech account for much of the increase. These measures amount to about $125.0 million for the end of municipalities' contribution to the Fonds spécial de financement des activités locales as of 2001. They also include an additional envelope of $155.0 million over two years, with $115.0 million in 2000-2001, to facilitate the transition to municipal reorganization and to implement an action plan to bolster urban agglomerations and RCMs. Lastly, they include an additional envelope of $10.0 million in compensation for the property tax exemption allowed for anti-pollution equipment.

Regarding the other portfolios, the 2000-2001 expenditure budget is down by $470.5 million compared with probable expenditure for 1999-2000. For many of the portfolios, this decline corresponds to changes resulting from increases, many of them non-recurring, granted for 1999-2000. In particular, this is the case for:

— the ministère de la Recherche, de la Science et de la Technologie with an envelope of $120.0 million to assist research in Québec;

— the Conseil exécutif with an envelope of $120.0 million for the Youth Fund;

— the ministère des Ressources naturelles with, among other things, an envelope of $100.0 million for assistance for the modernization of pulp and paper mills;

— and the ministère des Transports with an envelope of $90.0 million for infrastructure modernization.

The table in Appendix A compares the 2000-2001 expenditure envelope with 1999-2000 probable expenditure for each portfolio.

3. INCREASE IN THE SPENDING OBJECTIVE IN 1999-2000 AND 2000-2001

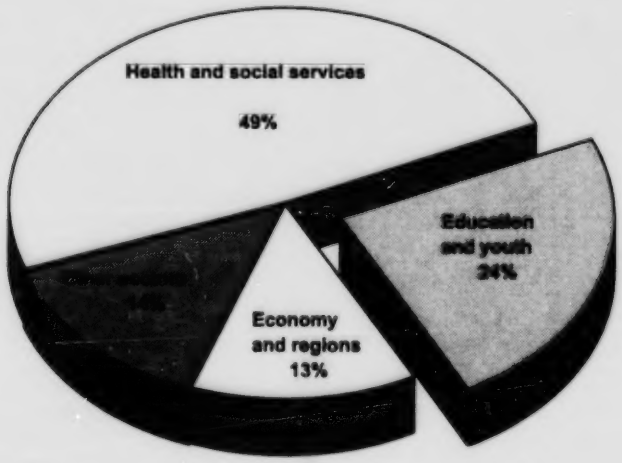
A substantial increase in resources, allocated in accordance with government priorities, was announced in the 2000-2001 Budget Speech for the 1999-2000 and 2000-2001 budget years.

The health and social services sector alone is receiving almost half of these additional resources, and the education and youth sector, almost one quarter. These two sectors together account for 73% of the additional resources allocated for the two budget years.

The additional resources allocated for the economy and the regions amount to 13% of total resources allocated. Those earmarked for other departments and organizations total 14%.

Chart 1.1 gives the distribution of the additional resources allocated, for budget years 1999-2000 and 2000-2001, since the estimates were last tabled. It shows the health and social services, education and youth, and the economy and regions sectors, as well as the other sectors as a whole.

Chart 1.1: Distribution of additional resources allocated, since the estimates were last tabled, for budget years 1999-2000 and 2000-2001



In comparison with the $36,238.0 million expenditure objective established for 1999-2000 at last year's Budget Speech, additional resources announced at this year's Budget Speech total $1,947.0 million for fiscal year 1999-2000 and 3,222.0 million for the fiscal year 2000-2001, including the accounting adjustment of $89.0 million made in order to present the data on the same basis.

The additional resources allocated for 1999-2000 are distributed as follows: $782.0 million for the health and social services sector, $538.0 million for the education and youth sector, $468.7 million for the economy and the regions and, lastly, $158.3 million for all other sectors as a whole, including $71.5 million in support of culture.

The additional resources allocated for 2000-2001 are distributed as follows: $1,703.9 million for the health and social services sector, $674.8 million for the education and youth sector, $204.6 million for the economy and the regions and $638.7 million for all other sectors as a whole. It should be noted that $200.0 million is allocated in 2000-2001 for the purchase of new medical equipment. This envelope is funded by subsidized debt service.

Table 1.3 shows the distribution of the additional resources allocated in 1999-2000 and 2000-2001 among the major sectors.

Table 1.3: Distribution of additional resources allocated in 2000-2001 and 1999-2000 compared to the initial objective set for 1999-2000

	2000-2001	1999-2000
	$M	$M
AMOUNT OF 1999-2000 PROGRAM SPENDING FORECAST AT THE BEGINNING OF THE FISCAL YEAR	36,238.0	36,238.0
PLUS: Increase in spending		
- Health and social services[1]	1,703.9	782.0
- Education and youth	674.8	538.0
- Economy and regions	204.6	468.7
- Other sectors[2]	638.7	158.3
	3,222.0[3]	1,947.0
PLUS: Adjustment[4]		89.0
SPENDING OBJECTIVES - 2000-2001 BUDGET SPEECH	39,460.0	38,274.0

1 Excluding the envelope of $200 million allocated in 2000-2001 to purchase new medical equipment, which is funded by subsidized debt service.

2 Including, in 1999-2000, $71.5 million allocated in support of culture and, in 2000-2001, the amounts shown in Table 1.2 of this chapter, i.e. $186.2 million allocated to Agriculture, Pêcheries et Alimentation; $111.9 million to Famille et Enfance; and $93.1 million to Affaires municipales et Métropole.

3 This amount includes the $793.0-million growth authorized for program spending in the 1999-2000 Budget Speech.

4 Adjustment in order to present 1999-2000 expenditures on the same basis as 2000-2001. The adjustments made lead to an increase of revenues and expenditures of $61.0 million to the family policy due to the implementation of the last phase of reduced-contribution places in child care services, and $28.0 million following the integration of the Public Curator as a budgetary agency.

Health and social services

The additional resources allocated to the health and social services sector in the last Budget Speech total $782.0 million for 1999-2000 and $1,703.9 million for 2000-2001. This does not include an additional envelope of $200.0 million in 2000-2001 for the purchase of new medical equipment. This envelope will be funded by subsidized debt service.

A portion of the additional resources, namely $573.6 million in 1999-2000 and $1,164.7 million in 2000-2001, provides more funding for existing services.

— In 1999-2000, $462.0 million is allocated to assume the deficit of network institutions, and $111.6 million is applied to fund the increase in costs relating to existing services, including pay increases.

— In 2000-2001, $400.0 million is allocated to fund institutions to keep their budgets balanced, and $764.7 million to fund the increase in costs relating to existing services, including pay increases.

A second portion of the additional resources is allocated to the increase in existing services and the development of new services.

— Amounts of $179.0 million in 1999-2000 and $267.0 million in 2000-2001 are allocated to the RAMQ to bolster funding for medical services and medication.

— An envelope of $200.0 million is allocated for 2000-2001 for the development of services tied to priority needs.

— Funding of $29.4 million in 1999-2000 and $72.2 million in 2000-2001 is allocated to improve existing programs.

Table 1.4 summarizes the allocation of the increase in spending authorized for the health and social services sector for budget years 1999-2000 and 2000-2001.

Table 1.4: Distribution of additional resources allocated in 1999-2000 and 2000-2001 to health and social services

	2000-2001	1999-2000
	$M	$M
GREATER FUNDING FOR THE NETWORK		
- Ensure balanced network budgets	400.0	462.0
- Operating costs, including pay increases	764.7	111.6
INCREASE AND DEVELOPMENT OF SERVICES		
- RAMQ: medical services and medication	267.0	179.0
- Increase and development of services - priority needs	200.0	—
- Improvement of existing programs	72.2	29.4
TOTAL SPENDING INCREASE	1,703.9	782.0

Education and youth

Additional resources amounting to $538.0 million for 1999-2000 and $675.0 million for 2000-2001 are allocated to education and youth.

Concerning education networks funding, an envelope of $150.0 million is allocated in 1999-2000 to maintain the financial health of the networks, including $100.0 million for the universities, $40.0 million for school boards and $10.0 million for CEGEPs. In 2000-2001, $200.0 million is allocated to maintain and improve the quality of education services.

Moreover, additional resources of $138.0 million in 1999-2000 and $432.0 million in 2000-2001 are being allocated to fund the increase in operating costs, including pay increases.

Furthermore, additional resources of $120.0 million are being allocated in 1999-2000 to the ministère du Conseil exécutif for the Youth Fund announced at the Sommet du Québec et de la jeunesse.

Also, $120.0 million is being added to the 1999-2000 appropriations of the ministère de la Recherche, de la Science et de la Technologie to assist funding of research projects in Québec, especially large-scale projects.

Lastly, additional resources of $10.0 million for 1999-2000 and $43.0 million for 2000-2001 are allocated for a variety of measures for education and youth.

Table 1.5 summarizes the allocation of the increase in spending authorized for education and youth for budget years 1999-2000 and 2000-2001.

Table 1.5: Distribution of additional resources allocated in 1999-2000 and 2000-2001 for education and youth

	2000-2001	1999-2000
	$M	$M
GREATER FUNDING FOR EDUCATION NETWORKS		
- Additional amounts for the networks	200.0	150.0
- Increase in costs of existing services	432.0	138.0
ADDITIONAL RESOURCES FOR EDUCATION AND YOUTH		
- Youth Fund	—	120.0
- Research projects	—	120.0
- Miscellaneous measures	43.0	10.0
TOTAL EXPENDITURE INCREASE	675.0	538.0

Economy and regions

The increase in budget envelopes for the economy and the regions includes a number of measures with a budget impact mainly in 1999-2000, in particular those designed to modernize public infrastructures, modernize the pulp and paper industry, and diversify regional economies. These measures amount to $468.7 million in 1999-2000 and $29.0 million in 2000-2001. They include:

— Funding of $290.0 million in 1999-2000 to modernize public infrastructures. The overall envelope is distributed among three portfolios: Affaires municipales et Métropole with $175.0 million, Transports with $90.0 million and Environnement with $25.0 million. An envelope of $5.0 million is allocated to the ministère des Transports in 2000-2001.

— Envelopes totalling $128.7 million are allocated to the ministère des Ressources naturelles for 1999-2000 for natural resources development,. These envelopes, with the exception of those concerning government participation in regional mining funds and native mining funds, are not recurrent. On its own, the measure providing assistance for the modernization of pulp and paper mills amounts to $100.0 million. Envelopes allocated in 2000-2001 total $15.0 million.

— An envelope of $50.0 million is allocated to the ministère des Régions in 1999-2000 for regional economic diversification. The ministère de l'Environnement and the ministère des Affaires municipales et de la Métropole are receiving additional budget funding of $5.0 million and $4.0 million respectively for 2000-2001.

The other measures announced in the last Budget Speech for the economy and the regions total $175.6 million, and have a budget impact as of 2000-2001. They consist of measures to promote investment by businesses, e-commerce and regional economies.

— Additional resources of $72.2 million are allocated in 2000-2001 to support investments by businesses. Of this amount, $25.0 million is earmarked for the implementation of a program for small business, and $36.0 million for the PIJCPF program.

— Regarding the development of e-commerce and the new economy, additional funding of $49.0 million is also provided in 2000-2001. This includes, among other things, $28.0 million allocated to implement a program to encourage families to obtain Internet access, and an additional envelope of $15.0 million for the Conseil du trésor for increased funding for the development of the information highway.

— Turning to regional economies, a total of $54.4 million, including $51.4 million for regional development and $3.0 million for rural development, is added in 2000-2001, the two largest components being:

- An additional envelope of $12.4 million for the ministère des Régions for the plan to bolster employment in the Gaspésie-Îles-de-la-Madeleine region.

- Additional budget funding of $17.8 million for the Société de la Faune et des Parcs du Québec for investments in parks, wildlife reserves and recreational and tourism facilities. Of this amount, $4.8 million is earmarked for the Gaspésie-Iles-de-la-Madeleine region in 2000-2001.

Table 1.6 gives the distribution of the additional resources allocated for the economy and the regions.

Table 1.6: Distribution of additional resources allocated in 2000-2001 and 1999-2000 for the economy and the regions

	2000-2001	1999-2000
	$M	$M
SUPPORT FOR INVESTMENT AND MODERNIZATION OF PUBLIC INFRASTRUCTURES		
- Investments by businesses	72.2	
- E-commerce and the new economy	49.0	
- Public infrastructures	5.0	290.0
REGIONAL ECONOMIC DEVELOPMENT		
- Regional economies and rural communities	54.4	
- Regional economic diversification	9.0	50.0
- Natural resources development	15.0	128.7
TOTAL EXPENDITURE INCREASE	204.6	468.7

Other sectors

In 1999-2000, the additional resources allocated to other sectors amount to $158.3 million, including $71.5 million in support of culture, and $86.8 million in other departments and organizations. The additional funding of $71.5 million allocated in 1999-2000 in the realm of culture, the arts and communications includes:

— $37.5 million for the ministère de la Culture et des Communications, including $29.5 million in support of Québec's artistic development.

— $30.0 million for the ministère du Tourisme in support of major international events in Québec.

— $4.0 million for the ministère des Relations internationales concerning the development plan for TV5.

In 2000-2001, the increase in spending in other sectors amounts to $638.7 million. As indicated in section 2 of this chapter, the additional funds stipulated are concentrated in three portfolios:

— the ministère des Affaires municipales et de la Métropole, for the measures announced concerning the end of contributions to the Fonds spécial de financement des activités locales;

— the ministère de la Famille et de l'Enfance, for the development of child care services;

— the ministère de l'Agriculture, des Pêcheries et de l'Alimentation, for the increase in the cost of farm programs.

Appendix A

Change in the expenditure envelope of portfolios between 2000-2001 and 1999-2000[1]

	2000-2001 Expenditure Budget	1999-2000 Probable Expenditure[1]	Change	
	$M	$M	$M	%
Affaires municipales et Métropole	1,207.0	1,113.9	93.1	8.4
Agriculture, Pêcheries et Alimentation	719.5	533.3	186.2	34.9
Assemblée nationale	73.5	72.1	1.4	2.0
Conseil du trésor, Administration et Fonction publique[2]	619.7	429.0	190.7	(1.6)
Conseil exécutif	59.8	180.1	(120.3)	(66.8)
Culture et Communications	432.8	457.9	(25.2)	(5.5)
Éducation	10,107.5	9,764.1	343.4	3.5
Emploi, Solidarité sociale	3,997.4	4,046.7	(49.3)	(1.2)
Environnement	173.7	253.3	(79.6)	(31.4)
Famille et Enfance[3]	1,548.0	1,436.1	111.9	7.8
Faune et Parcs	102.5	75.2	27.3	36.4
Finances[4]	508.2	357.2	151.0	28.5
Industrie et Commerce	151.5	152.2	(0.7)	(0.5)
Justice et Condition féminine	463.3	465.7	(2.3)	(0.5)
Personnes désignées par l'Assemblée nationale	41.6	42.6	(0.9)	(2.2)
Recherche, Science et Technologie	213.7	304.6	(90.9)	(29.9)
Régions	124.0	153.7	(29.7)	(19.3)
Relations avec les citoyens et Immigration[5]	171.3	172.0	(0.7)	(0.4)
Relations internationales	110.9	119.4	(8.5)	(7.1)
Ressources naturelles	329.0	477.0	(147.9)	(31.0)
Revenu	614.6	658.9	(44.3)	(6.7)
Santé et Services sociaux	15,456.5	14,534.6	921.9	6.3
Sécurité publique	670.3	701.6	(31.3)	(4.5)
Tourisme	53.3	110.9	(57.6)	(51.9)
Transports	1,444.0	1,588.8	(144.8)	(9.1)
Travail	66.2	73.3	(7.1)	(9.7)
PROGRAM SPENDING	39,460.0	38,274.0	1,186.0	3.1

[1] 1999-2000 probable expenditure has been restated according to the presentation used in 2000-2001.

[2] In the Conseil du trésor, Administration et Fonction publique portfolio, the percentage change has been calculated excluding the "contingency fund" program because this program consists of provisions whose purpose is to fund unforeseen expenditures that may arise during the fiscal year in any portfolio.

[3] Adjustment of $61.0 million to probable expenditure for 1999-2000 to reflect family assistance allowances.

[4] The percentage change for the ministère des Finances has been calculated by adding, to probable expenditure, transfers of provisions to other departments made in 1999-2000.

[5] Adjustment of $28.3 million to probable expenditure for 1999-2000 to reflect the inclusion of the Public Curator as a budgetary agency.

CHAPTER 2

RESULTS FOR THE 1999-2000 FISCAL YEAR

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RESULTS FOR THE 1999-2000 FISCAL YEAR

This chapter presents the changes posted in the expenditure forecast since the beginning of the 1999-2000 fiscal year. The data relating to program spending and debt service correspond to the expenditures presented in the *Estimates* and thus do not include the effect of the consolidation of agencies and special funds.

1. CHANGE IN THE 1999-2000 EXPENDITURE FORECAST

The expenditure forecast published on the tabling of the 1999-2000 estimates stood at $43,261.3 million. According to this forecast, program spending totalled $36,327.3 million and debt service was $6,934.0 million.

As illustrated in Table 2.1 on the following page, the level of program spending in 1999-2000 increased by $1,946.7 million relative to the initial forecast. This change is explained by measures announced in the 2000-2001 Budget Speech, which had an impact of $962.0 million in 1999-2000, and by $984.7 million in additional expenditures mainly in the health and social services sector.

The measures announced in the Budget Speech that had an impact in 1999-2000 consist of:

- $290.0 million to support construction, improvement and repairs to public infrastructures, including $175.0 million for the municipal sector, $90.0 million for transport and $25.0 million for the environmental sector;
- $150.0 million to improve the financial situation of the education systems, including $100.0 million for universities, $40.0 million for school boards and $10.0 million for CEGEPs;
- $120.0 million to finance the Youth Fund announced during the Sommet du Québec et de la jeunesse;
- $120.0 million for Valorisation-Recherche Québec to support researchers and research teams;
- $100.0 million to modernize pulp and paper plants;
- $182.0 million for various other measures.

Additional expenditures incurred since the beginning of the 1999-2000 fiscal year stand at $984.7 million, including $731 1 million for health and social services, $187.8 million for education and $65.8 million for all the other departments.

Additional resources allocated to the health and social services sector include $462.0 million to balance the network's budget and $152.3 million to absorb the rising cost of the drug-insurance program. The balance of $116.8 million is mainly the result of the impact of collective bargaining.

In the education sector, additional spending of $187.8 million was triggered largely by the negotiation of collective agreements of parapublic and public sector employees. This additional spending includes $100.0 million for wage equity of teachers and $50.0 million to raise the salary parameters from 1% to 1.5% on January 1, 1999 and from 2% to 2.5% on January 1, 2000.

Debt service declined from $6,934.0 million at the beginning of the year to $6,724 million according to the latest available data. This change is explained by a decrease in the cost of direct debt service.

Table 2.1: Change in the 1999-2000 expenditure forecast[1]

	Program spending	Debt service	Total expenditures
	$M	$M	$M
Forecast established at the beginning of the year [2]	36,327.3	6,934.0	43,261.3
PLUS: Changes in the forecast			
— Measures in the 2000-2001 Budget speech	962.0	—	962.0
— Santé et Services sociaux: supplementary estimates #1	731.1	—	731.1
— Éducation: supplementary estimates #1 excluding measures of the 2000-2001Budget Speech	187.8	—	187.8
— Other changes	65.8	(210.0)	(144.2)
	1,946.7	(210.0)	1,736.7
PROBABLE EXPENDITURE	38,274.0	6,724.0	44,998.0

1 Data excluding the consolidation of agencies and special funds.

2 The initial objective of $36,238 million is adjusted in order to present the 1999-2000 expenditures on the same basis as those in the 2000-2001 Budget Speech. The adjustments result in an increase in revenues and expenditures:

- $61.0 million for the family policy, given that it replaces measures previously financed through revenues;
- $28.3 million following the integration of the Curateur public as a budgetary agency.

2. CHANGE IN PROGRAM SPENDING IN 1999-2000

Since the tabling of the 1999-2000 estimates, changes have occurred not only in the 1999-2000 program expenditure forecast, but also in the results for the 1998-1999 fiscal year. Based on the revised data, Table 2.2 shows how probable spending in 1999-2000 compares with the 1998-1999 results.

Overall, expenditures increased by 1% in 1999-2000. Program spending rose by 0.8%, whereas debt service climbed 2.3%.

Table 2.2 Expenditure growth in 1999-2000

	1999-2000 probable	1998-1999 actual	Change	
	$M	$M	$M	%
Program spending	38,274.0	37,964.0	310.0	0.8
Debt service	6,724.0	6,574.0	150.0	2.3
TOTAL SPENDING	44,998.0	44,538.0	460.0	1.0

3. SUPPLEMENTARY ESTIMATES AUTHORIZED IN 1999-2000

The appropriations tabled in the National Assembly at the beginning of the 1999-2000 fiscal year amounted to $43,480.9 million, including $36,546.9 million for program spending and $6,934.0 million for payment of debt service interest.

Additional appropriations tabled in the National Assembly in March 2000 amount to $1,982.5 million. They have been used to finance some of the measures announced in the 2000-2001 Budget Speech along with additional expenditures incurred during the year, particularly in the health and social services and education sectors.

Permanent appropriations decreased by $140.4 million. This figure results from a $210.0-million decrease in debt service costs. Moreover, permanent appropriations related to program spending increased by $69.6-million, mainly owing to improvements in retirement plans granted during the latest round of negotiations.

Table 2.3: Reconciliation between authorized appropriations and probable expenditure for 1999-2000

	Program spending	Debt service	Total expenditures
	$M	$M	$M
INITIAL APPROPRIATIONS	36,546.9	6,934.0	43,480.9
Supplementary Estimates #1 1999-2000	1,982.5		1,982.5
Permanent appropriations: change	69.6	(210.0)	(140.4)
TOTAL APPROPRIATIONS	38,599.0	6,724.0	45,323.0
MINUS: appropriations allocated to the capital budget			
- Loans, Investments and Advances	(576.4)	—	(576.4)
- Fixed assets	(96.6)	—	(96.6)
MINUS: unexpended appropriations	(105.4)	—	(105.4)
PLUS: depreciation expenditures[1]	364.1	—	364.1
PLUS: adjustment[2]	89.3	—	89.3
PROBABLE EXPENDITURE	38,274.0	6,724.0	44,998.0

[1] Depreciation expenditures do not require appropriations as they do not result in expenditures and reflect the cost of using fixed assets authorized by estimates voted by the National Assembly.

[2] Adjustment in order to present the 1999-2000 expenditures on the same basis as those in the 2000-2001 Budget Speech. The adjustments result in an increase in revenues and expenditures:

- $61.0 million for the family policy, given that it replaces measures previously financed through revenues;
- $28.3 million following the integration of the Curateur public as a budgetary agency.

CHAPTER 3

BREAKDOWN OF THE 2000-2001 EXPENDITURE BUDGET BY MAJOR CATEGORY AND BY BENEFICIARY

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BREAKDOWN OF THE 2000-2001 EXPENDITURE BUDGET BY MAJOR CATEGORY AND BY BENEFICIARY

This chapter breaks down the expenditures in the 2000-2001 Expenditure Budget by major category and divides them by intended beneficiary. The categories reflect the nature of the expenditures incurred by the government.

The expenditures presented in this chapter do not include consolidated agencies and special funds. It is also useful to consider that the breakdown of transfer expenditures by category is estimated in some cases and may therefore be subject to revision from one year to the next.

1. OVERVIEW OF THE BREAKDOWN OF THE EXPENDITURE BUDGET

Breakdown of expenditures by supercategory

The expenditure budget for each portfolio is broken down by supercategory in the Estimates. For two of these supercategories — "Transfer" and "Allocation to a Special Fund" — the expenditures are also subdivided by category and beneficiary.

The breakdown of expenditures by supercategory shows that the "Transfer" supercategory accounts for 70.8% of the 2000-2001 Expenditure Budget. The "Debt Service" supercategory takes up 14.6% and operating expenditures and other categories account for another 14.6%. Table 3.1 presents the breakdown of expenditures for all portfolios by supercategory and category.

Table 3.1: 2000-2001 Expenditure Budget by supercategory and category

	CATEGORIES							
	Remuneration	Operating	Capital	Interest	Support	Other	Total	
SUPERCATEGORIES	$M	$M	$M	$M	$M	$M	$M	%
Remuneration	2,504.2	—	—	—	—	—	2,504.2	5.4
Operating	—	1,999.6	—	—	—	—	1,999.6	4.4
Transfer	18,926.7	2,689.9	1,209.5	1,330.3	8,569.8	—	32,726.2	70.8
Allocation to a Special Fund	339.3	230.4	280.9	203.4	839.3	—	1,893.3	4.1
Bad debts and other provisions	—	—	—	—	—	336.7	336.7	0.7
Program spending	21,770.2	4,919.9	1,490.4	1,533.7	9,409.1	336.7	39,460.0	85.4
Debt service	—	—	—	6,750.0	—	—	6,750.0	14.6
TOTAL	21,770.2	4,919.9	1,490.4	8,283.7	9,409.1	336.7	46,210.0	100.0

Breakdown of expenditures by category

The breakdown of expenditures by category allows the expenditures to be represented by nature and relative importance in terms of overall spending.

Remuneration expenditures in 2000-2001 account for 55.2% of program spending, or $21,770 million. Remuneration encompasses salaries, employer contributions under retirement plans and contributions paid to the various government plans established and to the group insurance plans. It includes the remuneration of health professionals and employees in the health and social services network, the education networks and the public service.

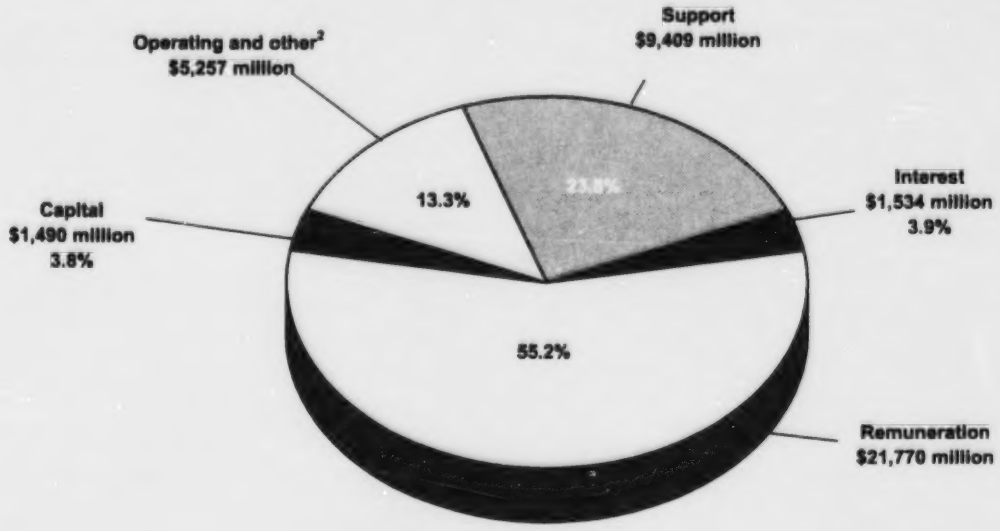
Support expenditures rank second in importance at $9,409 million, or 23.8% of program spending. This category encompasses the various subsidies intended as financial support to individuals, businesses, public and parapublic agencies and the government's other partners.

Operating and other expenditures account for 13.3% of program spending, or $5,257 million. They notably include the support and administration expenditures of departments and agencies, including the Contingency Fund, and of the education, and health and social services networks. They also include expenditures inherent in the depreciation of capital investments of departments and agencies.

Capital expenditures total $1,490 million, or 3.8% of program spending. They include subsidized capital investments and sums paid into special funds for the commitments inherent to their capital investments. The government subsidizes either the cost of the beneficiarys' capital investments or repayment of the principal inherent in loans contracted by its partners. Finally, interest expenditures on the subsidized debt take up 3.9% of program spending, or $1,534 million.

Graph 3.1 illustrates the 2000-2001 Expenditure Budget in terms of the major expenditure categories. The breakdown of expenditures by major category is presented for each portfolio in Appendix A.

Graph 3.1: 2000-2001 program spending by major category: $39,460 million[1]



1 The figures in this chart come from Table 3.1.

2 For the purposes of illustration, operating expenditures include variations in the provisions for bad debts and other provisions.

Breakdown of expenditures by beneficiary

The groups of beneficiaries used to break down the transfer expenditures in the Estimates are as follows: health and social services establishments, educational institutions, individuals, businesses, municipalities, non-profit organizations, and government corporations and agencies.

Health and social services establishments, with $10.8 billion, and educational institutions, with $9.8 billion, together take up 52.3% of the program spending forecast in 2000-2001.

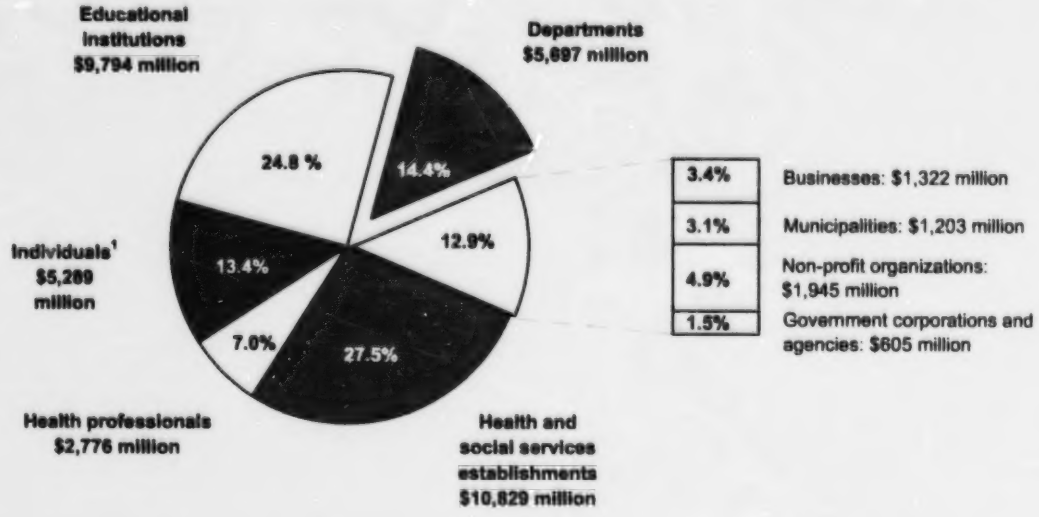
Expenditures of $5.3 billion go to individuals, or 13.4% of program spending. Remuneration of health professionals accounts for $2.8 billion and represents 7.0% of program spending.

Finally, 12.9% of program spending is allocated to various other beneficiaries, namely businesses, municipalities, non-profit organizations and government corporations and agencies.

Departmental expenditures, with $5.7 billion, account for 14.4% of program spending.

Graph 3.2 breaks down the 2000-2001 program spending by beneficiary. It includes the operating expenditures specific to the departments to represent the entire 2000-2001 Expenditure Budget.

Graph 3.2: 2000-2001 program spending by beneficiary: $39,460 million



[1] This heading includes, among others, the employment assistance and financial assistance measures for social and economic integration and social protection of the "Emploi, Solidarité sociale" portfolio, the cost of the Québec health insurance plan (except for administration and remuneration of health professionals), family allowances, financial assistance to parents for child care expenses, financial assistance to students, and legal aid.

Table 3.2 breaks down the 2000-2001 program spending forecast for the main portfolios.

The breakdown of expenditures by beneficiary is presented for each portfolio in Appendix B.

Table 3.2: Breakdown by beneficiary of program spending forecast in 2000-2001

	Santé et Services sociaux	Éducation	Emploi, Solidarité sociale	Famille et Enfance	Other departments	Total
	$M	$M	$M	$M	$M	$M
Departments	99.8	202.3	576.3	33.6	4,785.1	5,697.1
Health and social services establishments	10,770.9	—	—	—	57.9	10,828.8
Health professionals	2,776.2	—	—	—	—	2,776.2
Educational institutions	—	9,619.2	100.0	—	75.0	9,794.2
Assistance to individuals	1,114.3	245.3	2,970.2	660.0	299.2	5,289.4
Assistance to businesses	136.5	—	66.0	138.3	981.1	1,321.9
Assistance to municipalities	1.7	—	—	—	1,201.4	1,203.1
Other beneficiariess	557.1	40.7	284.9	716.1	950.9	2,549.3
Program spending	15,456.5	10,107.5	3,997.4	1,548.0	8,350.6	39,460.0

Note: The totals may differ due to rounding.

2. REMUNERATION EXPENDITURES

Forecast expenditures for remuneration total $21,770 million in 2000-2001, accounting for 55.2% of overall program spending.

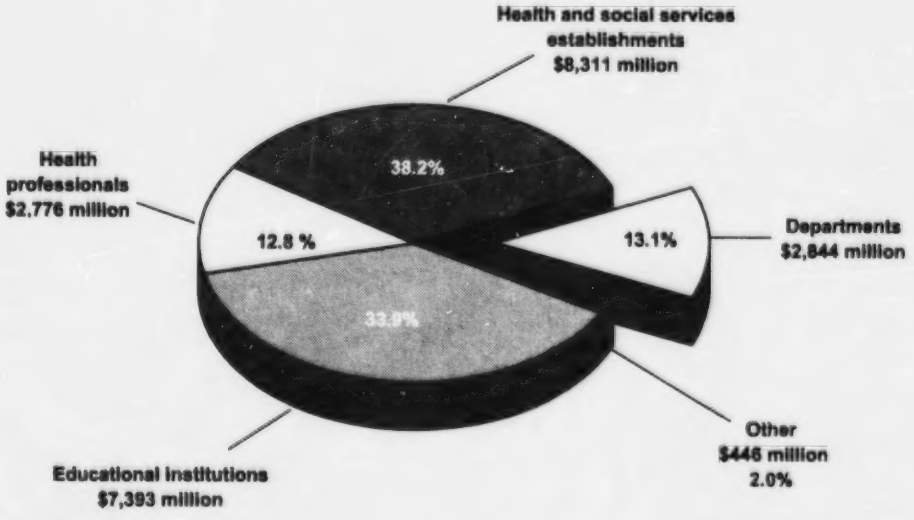
Remuneration expenditures allocated to the health and social services network in 2000-2001 amount to $8,311 million, while those going to health professionals total $2,776 million. The health care sector alone therefore represents 51.0% of remuneration expenditures in 2000-2001.

The education networks account for 33.9% with expenditures of $7,393 million forecast for remuneration in 2000-2001.

The share of government department personnel is 13.1%.

Graph 3.3 illustrates the distribution of the remuneration expenditures forecast in 2000-2001 among the beneficiaries. It includes the remuneration expenditures of the departments to represent all of these expenditures for 2000-2001.

Graph 3.3: Remuneration expenditures in 2000-2001, by beneficiary: $21,770 million



The remuneration expenditures forecast in 2000-2001 are $1,016.9 million higher than the comparable figures in 1999-2000. $827.1 million of the increase is attributable to salary growth and $189.8 million to the rise in employer contributions.

Total growth of remuneration expenditures in 2000-2001 compared with 1999-2000 is associated with

- $637.9 million for various agreements occurring within the framework of negotiations on collective labour agreements for the public and parapublic sectors: $343.2 million is for the health and social services sector and $232.9 million is for the education sector.
- $273.0 million for additional investments implemented in the education network and in the health and social services network, notably for the consolidation and development of client services and for financing the increased costs of existing services.
- $79.5 million for personnel moving up the salary scale in the education, and health and social services networks.
- $26.5 million for the integration of the Public Curator within the budgetary perimeter.

Table 3.3 presents the expenditures allocated to remuneration in 2000-2001 by major portfolio and by beneficiary.

Table 3.3: Remuneration expenditures forecast in 2000 2001 [1]

	Salaries	Employer contributions			Total
		Retirement plans	Other	Subtotal	
	$M	$M	$M	$M	$M
SANTÉ ET SERVICES SOCIAUX					
Department	46.7	—	4.7	4.7	51.4
Health and social services establishments	7,134.8	381.0	795.7	1,176.7	8,311.5
Health professionals	2,776.2	—	—	—	2,776.2
Other bneficiariess	141.0	—	12.9	12.9	153.9
	10,098.7	381.0	813.3	1,194.3	11,293.0
ÉDUCATION					
Department	65.2	—	6.4	6.4	71.6
Educational institutions	6,321.4	448.6	623.0	1,071.6	7,393.0
Other beneficiariess	8.6	—	1.4	1.4	10.0
	6,395.2	448.6	630.8	1,079.4	7,474.6
EMPLOI, SOLIDARITÉ SOCIALE					
Department	287.3	—	36.0	36.0	323.3
Other beneficiaries	6.7	—	0.9	0.9	7.6
	294.0	—	36.9	36.9	330.9
OTHER					
Departments	1,963.2	192.8	241.1	433.9	2,397.1
Other beneficiaries	223.1	23.5	28.0	51.5	274.6
	2,186.3	216.3	269.1	485.4	2,671.7
TOTAL	18,974.2	1,045.9	1,750.1	2,796.0	21,770.2
COMPARATIVE 1999-2000	18,147.1	974.7	1,631.5	2,606.2	20,753.3

[1] Includes the expenditures attributable to the "Remuneration" and the "Remuneration" category of the "Transfer" supercategory and the "Allocation to a Special Fund" supercategory.

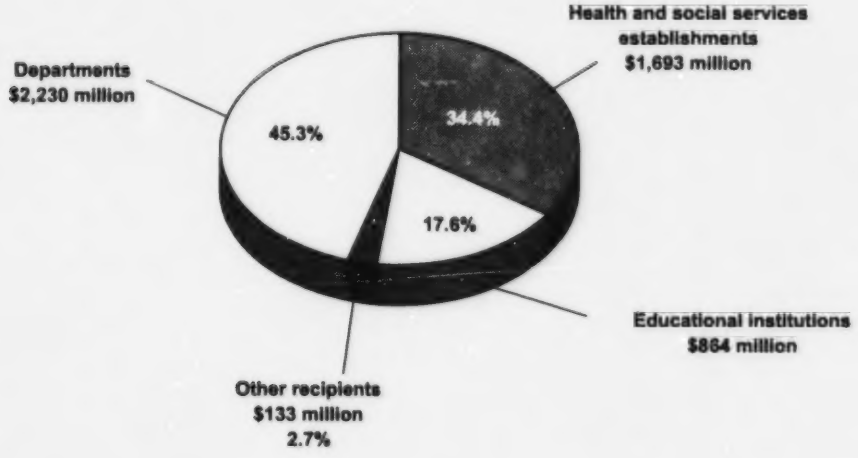
3. OPERATING EXPENDITURES

Operating expenditures amount to $4,920 million in 2000-2001. Those of the departments account for 45.3%, those of the health and social services establishments for 34.4%, those of the educational institutions for 17.6%, and finally, those of other beneficiries for 2.7%.

Graph 3.4 illustrates the breakdown of operating expenditures by beneficiary. Operating expenditures increased by $300.6 million in 2000-2001 compared to 1999-2000. Of this difference, $122.2 million is attributable to the departments and $178.4 million to operating expenditures associated with transfer expenditures. The operating expenditures of the health and social services network and the education networks are up $198.3 million, while those associated with other transferred expenditures are down $19.9 million.

At the departmental level, the increase is mainly explained by the $133.3-million rise in the level allocated for the Contingency Fund of the "Conseil du trésor, Administration et Fonction publique" portfolio and by a $9.0-million adjustment following the conversion of the Curateur public into a budget agency. These growth factors are offset by a $21.9-million reduction in depreciation expenditures of roads built before the implementation of the Road Network Preservation and Improvement Fund.

Graph 3.4: Operating expenditures in 2000-2001, by beneficiary: $4,920 million



In the networks, the $198.3-million rise includes $158.3 million to Santé et Services sociaux to maintain the quality of health and social services and to develop and expand the services intended for the various clienteles served by the network, plus $40.0 million to Éducation to maintain and preserve the quality of teaching and expand educational services.

Table 3.4 presents the operating expenditures on the basis that they are incurred by the departments and through transfer expenditures.

Table 3.4: Operating expenditures forecast in 2000-2001

	Operating[1]	Transfer		Total
		Networks	Other	
	$M	$M	$M	$M
SANTÉ ET SERVICES SOCIAUX				
Department	48.5	—	—	48.5
Health and social services establishments	—	1,692.9	—	1,692.9
Other beneficiaries	—	—	23.4	23.4
	48.5	1,692.9	23.4	1,764.8
ÉDUCATION				
Department	41.2	—	—	41.2
Educational institutions	—	863.7	—	863.7
Other beneficiries	—	—	2.7	2.7
	41.2	863.7	2.7	907.6
EMPLOI, SOLIDARITÉ SOCIALE				
Department	172.2	—	—	172.2
Other beneficiaries	—	—	1.6	1.6
	172.2	—	1.6	173.8
OTHER				
Departments	1,968.1	—	—	1,968.1
Other beneficiaries	—	—	105.6	105.6
	1,968.1	—	105.6	2,073.7
TOTAL	2,230.0	2,556.6	133.3	4,919.9
COMPARATIVE 1999-2000	2,107.8	2,358.3	153.2	4,619.3

[1] Including expenditures for the "Operating" category of the "Allocation to a Special Fund" supercategory.

4. CAPITAL EXPENDITURES

A total of $1,490 million in capital expenditures is forecast in 2000-2001, down $266.6 million overall compared to the previous year.

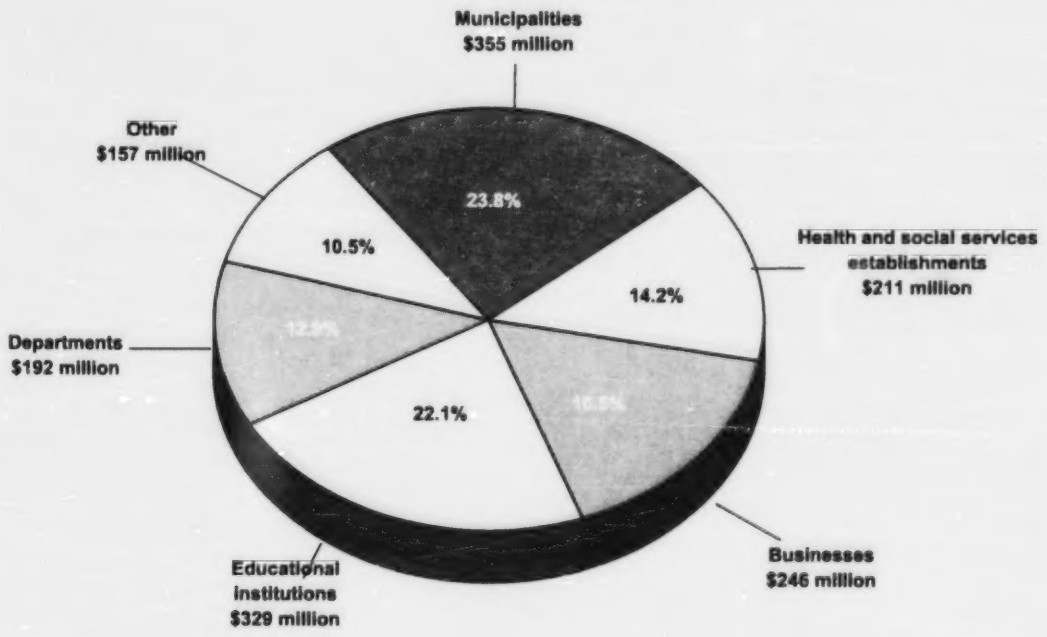
Nearly half the budget forecast in 2000-2001 will be allocated to municipalities and educational institutions, which respectively receive $355 million, or 23.8%, and $329 million, or 22.1%, of all forecast expenditures.

Businesses receive 16.5%, or $246 million, while health and social services establishments obtain 14.2%, or $211 million.

Finally, departments and other beneficiaries divide the rest of the budget, respectively with $192 million, or 12.9%, and $157 million, or 10.5%. For purposes of illustration, other beneficiaries include individuals, non-profit organizations and government corporations and agencies.

Graph 3.5 gives the overall picture of the breakdown of capital expenditures by beneficiary.

Graph 3.5: Capital expenditures by beneficiary: $1,490 million



Capital expenditures are allocated according to the government's three main avenues for appropriations: expenditures for repayment of principal on the subsidized debt, expenditures allocated to special funds administered by the departments, and expenditures used for other subsidized capital investments.

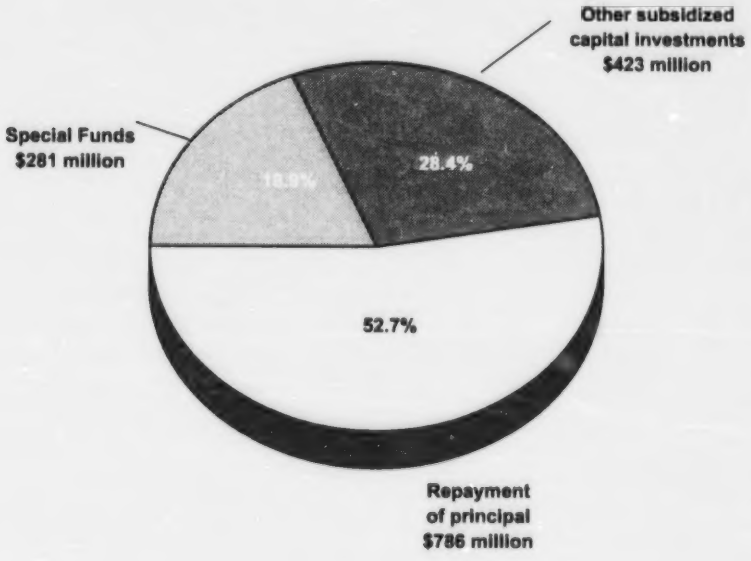
Expenditures for repayment of principal on the subsidized debt are around $786 million in 2000-2001. They account for 52.7% of all capital expenditures.

Expenditures allocated to the special funds administered by the departments total $281 million, accounting for 18.9% of overall capital expenditures.

Finally, expenditures for other subsidized capital investments amount to $423 million, or 28.4% of overall capital expenditures.

Graph 3.6 breaks down capital expenditures according to the government's main allocation categories.

Graph 3.6: Capital expenditures forecast in 2000-2001: $1,490 million



Special funds

Amounts allocated for capital expenditures of the special funds increase by $68.5 million in 2000-2001, passing from $212.3 million in 1999-2000 to $280.8 million in 2000-2001. The increase of these expenditures is a primarily a result of an expenditure increase of $34.4 million for the Road Network Preservation and Improvement Fund.

Expenditures for repayment of principal

The expenditures for repayment of principal serve to cover the funding of the government share of capital investments subsidized by debt service. This mode of intervention applies to the capital investments made by school boards, CEGEPs, universities, health and social services establishments and municipalities in the case of public transit, sewage treatment and cultural facilities.

For these sectors, completed capital investment projects are paid for by the beneficiaries through long-term borrowing. The repayment schedule may extend over a 25-year period, depending on the circumstances. To cover its share, the government undertakes to repay all or part of the principal.

Expenditures relating to repayment of principal increased by $22.6 million from $763.5 million in 1999-2000 to $786.1 million in 2000-2001. This growth breaks down as follows:

— In the health and social services network, $10.0 million is allocated to repayment of loans contracted for specialized and technological equipment acquired to ensure the quality of services provided in health and social services establishments.

— In the "Affaires municipales et Métropole" portfolio, $11.1 million was allocated to repay loans taken out by the Régie des installations olympiques and the Société de gestion Marie-Victorin, and loans required under Québec's sewage treatment program.

Other subsidized capital investments

Expenditures for other subsidized capital investments fell from $781.2 million in 1999-2000 to $423.5 million in 2000-2001, down $357.7 million. This decrease results from two measures announced in the last Budget Speech, the budgetary impact of which is limited to the year 1999-2000.

The first measure, amounting to $290 million, concerns the modernization of public transportation, municipal and environmental infrastructures. The second measure, at $100 million, concerns modernization of the pulp and paper industry in Québec.

Excluding these two measures, expenditures for other subsidized capital investments rose by $30 million, attributable to the measures announced in the last Budget Speech for 2000-2001, including

— The $28.0-million increase following the $36.0 million in additional commitments announced at the 2000-2001 Budget Speech attributable to the Private Investment and Job Creation Promotion Fund administered by the ministère des Finances;

— A $7.0-million amount for support to construction of buildings in Montréal International Trade Zone at Mirabel.

Table 3.5 presents the capital expenditures forecast in 2000-2001.

Table 3.5: Capital expenditures forecast in 2000-2001 by beneficiary

	Special funds[1]	Subsidized capital investments		Total
		Repayment of principal	Other	
	$M	$M	$M	$M
SANTÉ ET SERVICES SOCIAUX				
Health and social services establishments	—	190.2	21.0	211.2
Other beneficiaries	—	0.8	3.6	4.4
	—	191.0	24.6	215.6
ÉDUCATION				
Educational institutions	—	311.7	17.0	328.7
Other beneficiaries	—	0.7	2.0	2.7
	—	312.4	19.0	331.4
OTHER				
Departments	192.6	—	—	192.6
Assistance to businesses	—	8.3	238.0	246.3
Assistance to municipalities	88.2	218.6	47.9	354.7
Other beneficiaries	—	55.8	94.0	149.8
	280.8	282.7	379.9	943.4
TOTAL	280.8	786.1	423.5	1,490.4
COMPARATIVE 1999-2000	212.3	763.5	781.2	1,757.0

[1] Including the expenditures of the "Capital" category of the "Transfer" and "Allocation to a Special Fund" supercategories.

5. INTEREST EXPENDITURES

Interest expenditures assumed by the government are forecast at $8,284 million for 2000-2001, versus $8,079 million for the previous year. They account for 17.9% of all government expenditures forecast in 2000-2001.

Interest expenditures include expenditures allocated to the subsidized debt service and expenditures applied to interest payments on the government's debt.

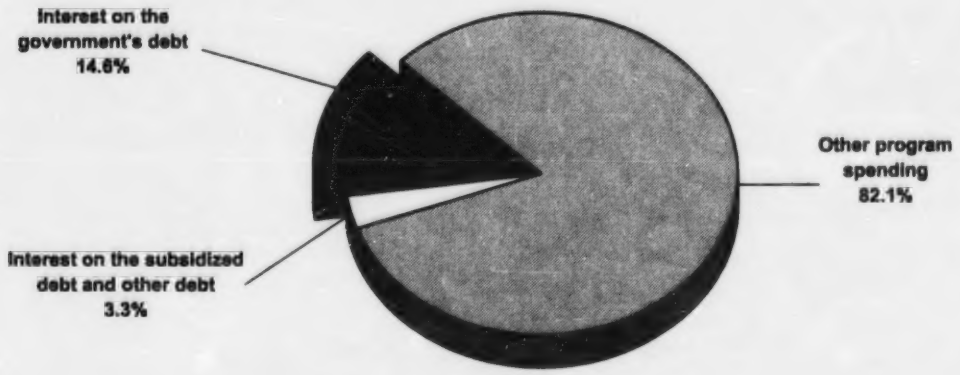
Expenditures allocated to the subsidized debt service are forecast at $1,534 million in 2000-2001, compared to $1,355 million in 1999-2000. As seen in Section 1 of this chapter, these expenditures account for 3.9% of program spending in 2000-2001. However, their relative weight is 3.3% when they are considered in relation to overall government expenditures.

Interest expenditures on the government debt forecast for 2000-2001 amount to $6,750 million compared to $6,724 million for 1999-2000. These expenditures represent 14.6% of overall government expenditures.

Graph 3.7 illustrates interest expenditures as a share of total government expenditures.

They take up 17.9% of the expenditures forecast in 2000-2001. Interest payments calculated on the government's debt account for 14.6% of the expenditure budget while those estimated on the subsidized debt correspond to 3.3%.

Graph 3.7: Interest expenditures as a share of total expenditures in 2000-2001: $8,284 million



Interest on the government's debt

Interest expenditures on the government's debt amount to $6,750 million in 2000-2001, up $26 million over the previous year. They include two components: interest expenses attributable to the direct debt and those attributable to the retirement plans account.

Financial expenses attributable to the direct debt represent $4,157 million for 2000-2001. Financial expenses attributable to the retirement plans account are forecast at $2,593 million for 2000-2001.

The Department Expenditure Management Plan of the ministère des Finances, presented in Volume III, explains the increase in interest expenditures on the government's debt.

Thus, interest payments on the direct debt rose $45.0 million following a forecast increase in interest rates applicable on government borrowing. On the other hand, interest expenditures on the retirement plans account declined by $19.0 million in 2000-2001. This is explained by an increase in the revenue posted to the Retirement Plans Amortization Fund.

Interest on the subsidized debt

Interest on the subsidized debt stands at $1,534 million for 2000-2001. The beneficiaries are as follows:

- Educational institutions, with $652 million, accounting for 42.5% of total subsidized interest expenditures
- Health and social services establishments, with $380 million, accounting for 24.8% of total subsidized interest expenditures
- Municipalities, with $307 million, or 20.0% of total subsidized interest expenditures
- Other beneficiaries, with $101 million, for 6.6% of total subsidized interest expenditures
- Departments, with $94 million, for 6.1% of total subsidized interest expenditures

Graph 3.8 breaks down, by beneficiary, the interest expenditures estimated on the subsidized debt in 2000-2001.

Interest on subsidized debt amounts to $1,534 million for 2000-2001 compared to $1,355 million in 1999-2000, up $179 million. Three main components explain this growth:

— $109.1 million, as of the year 2001, is allocated to take over the contribution paid by the municipalities since 1998 to the Special Local Activities Financing Fund. This contribution covered part of the borrowing contracted under the Québec Sewage Treatment Program administered in the "Affaires municipales et Métropole" portfolio.

— $44.6 million is assigned to defray the interest costs resulting from additional borrowing contracted by health and social services establishments;

— $24.4 million is to cover the additional interest costs incurred in the Road Network Preservation and Improvement Fund of the ministère des Transports.

Graph 3.8: Interest expenditures on the subsidized debt by beneficiary: $1,534 million

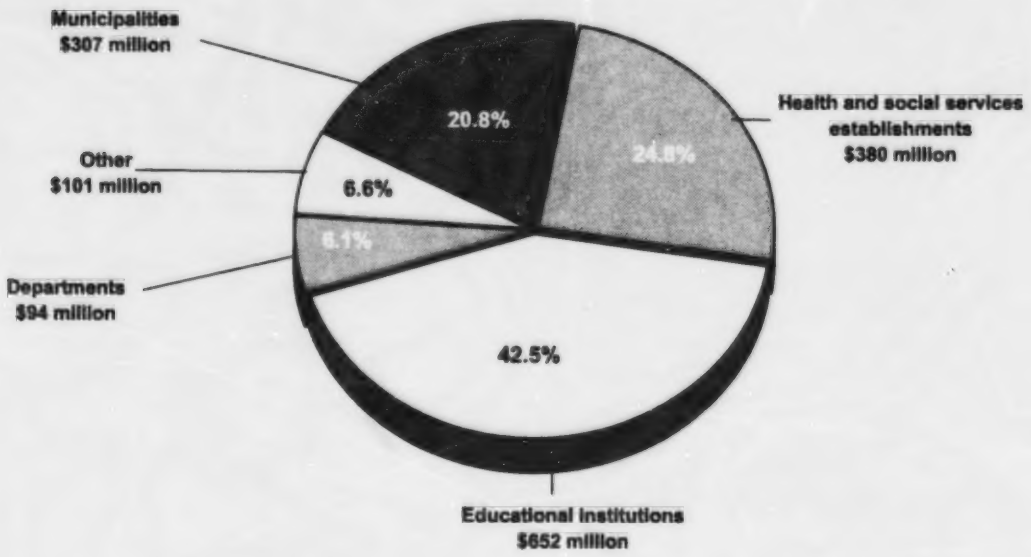


Table 3.6 gives the breakdown for 2000-2001 of the interest expenditures calculated on the government's debt and on the subsidized debt.

Table 3.6: Interest expenditures forecast in 2000-2001

	Subsidized debt and other debt[1]	Government's debt	Total
	$M	$M	$M
SANTÉ ET SERVICES SOCIAUX			
Health and social services establishments	379.6	—	379.6
Other beneficiaries	0.8	—	0.8
	380.4	—	380.4
ÉDUCATION			
Educational institutions	651.4	—	651.4
Other beneficiaries	0.3	—	0.3
	651.7	—	651.7
OTHER			
Departments	94.3	—	94.3
Assistance to municipalities	307.2	—	307.2
Other beneficiaries	100.1	—	100.1
	501.6	—	501.6
PROGRAM SPENDING	1,533.7	—	1,533.7
DEBT SERVICE			
Direct debt	—	4,157.0	4,157.0
Retirement plans account	—	2,593.0	2,593.0
	—	6,750.0	6,750.0
TOTAL	1,533.7	6,750.0	8,283.7
COMPARATIVE 1999-2000	1,355.0	6,724.0	8,079.0

[1] Including the expenditures for the "Interest" category of the "Transfer" supercategory and the "Allocation to a Special Fund" supercategory.

6. SUPPORT EXPENDITURES

Expenditures in the "Support" category encompass various support and assistance programs mainly intended for individuals, non-profit organizations, businesses and municipalities. They specifically include

— In the "Santé et Services sociaux" portfolio, the Medical Assistance and Prescription Drug Insurance programs administered by the Régie de l'assurance-maladie du Québec and assistance to family-type resources, assistance to community organizations and auxiliary subsidies to the health and social services network;

— In the ministère de l'Éducation, the School Transportation Program and the Student Financial Assistance Program;

— In the "Emploi, Solidarité sociale" portfolio, financial assistance measures and employment assistance measures;

— In the ministère de la Famille et de l'Enfance, child allowance programs and support for early childhood centres and other child care services;

— In other portfolios, programs such as

- assistance to social housing and home improvement managed by the Société d'habitation du Québec,
- financial compensation programs under the "Affaires municipales et Métropole" portfolio,
- the Farm Financing, Farm Insurance and Assistance for Agri-food Businesses programs of the ministère de l'Agriculture, des Pêcheries et de l'Alimentation,
- the public transit assistance programs to municipalities of the ministère des Transports,
- the Financial Assistance for the Manufacturing and Commercial Sectors and for the Development of External Trade of the ministère de l'Industrie et du Commerce,
- financial support for development of research and innovation under the "Recherche, Science et Technologie" portfolio.

Support expenditures total $9,409 million in 2000-2001, close to the same level as in 1999-2000.

Over half the support expenditures are paid to individuals. In 2000-2001, 54.3% of these expenditures, or $5,110 million, are forecast for payment to individuals.

The amounts forecast for other beneficiaries are, in order, non-profit organizations with 27.1% of overall support expenditures, businesses 7.8%, municipalities 5.7%, and educational institutions with 5.1%.

Graph 3.9 illustrates the breakdown of support expenditures among the beneficiaries.

Graph 3.9: Breakdown of 2000-2001 support expenditures by beneficiary: $9,409 billion

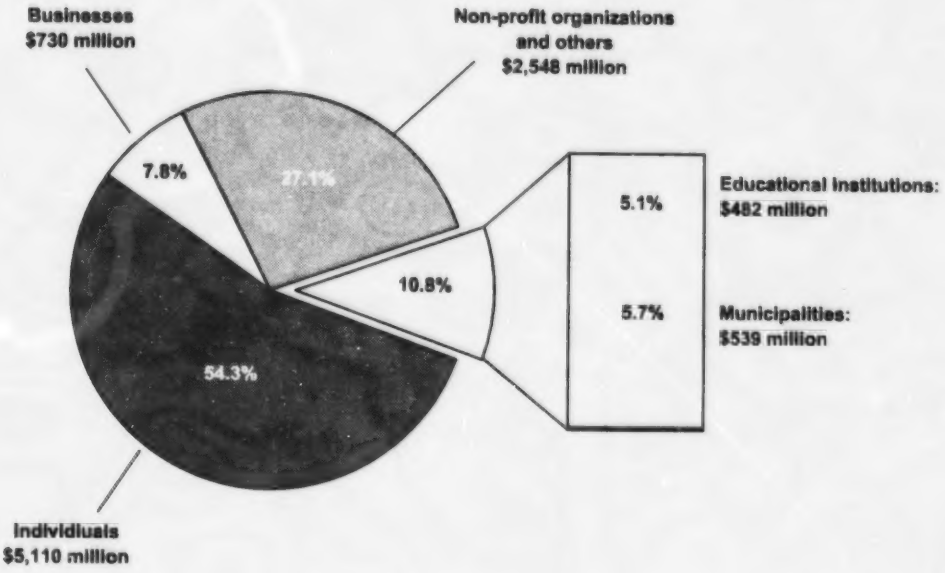


Table 3.7: Support expenditures forecast in 2000-2001

	Transfer	Other[1]	Total
	$M	$M	$M
SANTÉ ET SERVICES SOCIAUX			
Health and social services establishments	175.7	—	175.7
Assistance to individuals	1,011.2	—	1,011.2
Other beneficiaries	615.8	—	615.8
	1,802.7	—	1,802.7
ÉDUCATION			
Educational institutions	382.4	—	382.4
Assistance to individuals	245.3	—	245.3
Other beneficiaries	25.0	—	25.0
	652.7	—	652.7
EMPLOI, SOLIDARITÉ SOCIALE			
Educational institutions	—	100.0	100.0
Assistance to individuals	2,595.8	374.4	2,970.2
Other beneficiaries	39.6	302.0	341.6
	2,635.4	776.4	3,411.8
FAMILLE ET ENFANCE			
Assistance to individuals	660.0	—	660.0
Other beneficiaries	829.3	—	829.3
	1,489.3	—	1,489.3
OTHER			
Assistance to businesses	723.2	6.7	729.9
Assistance to municipalities	538.0	1.4	539.4
Assistance to individuals	223.2	—	223.2
Other beneficiaries	505.3	54.8	560.1
	1,989.7	62.9	2,052.6
TOTAL	8,569.8	839.3	9,409.1
COMPARATIVE 1999-2000	8,578.3	831.2	9,409.5

[1] Including the expenditures of the "Support" category of the "Allocation to a Special Fund" supercategory.

7. EXPENDITURES PERTAINING TO THE PROVISION FOR BAD DEBTS AND OTHER PROVISIONS

Table 3.8 presents the expenditures inherent to the change in the provision for bad debts and the provision for losses on financial initiatives guaranteed by the government. They are grouped together in the "Bad debts and other provisions" supercategory. For 2000-2001, they amount to $336.7 million, compared to $396.0 million for fiscal 1999-2000.

Provision for bad debts

In 2000-2001, expenditures related to the change in the provision for bad debts total $284.1 million, down $49.2 million compared to the previous year. This decrease is essentially explained by a $62.0-million reduction in the expenditure pertaining to the provision for bad debts at the ministère du Revenu, offset in part by an $11.7-million increase in the ministère de l'Éducation provision for financial assistance to students.

Provision for losses on financial initiatives guaranteed by the government

The expenditures pertaining to losses on financial initiatives guaranteed by the government are down $10.1 million to $52.6 million in 2000-2001. This decline is explained as follows:

- The implementation of the new Small Business Financing Program announced in the 2000-2001 Budget Speech involves a $25.0-million increase for the ministère des Finances.
- The modes of financial assistance used under the Private Investment and Job Creation Promotion Fund result in a $10.0-million reduction in the provision for losses on financial initiatives guaranteed by the government through the ministère des Finances.
- The strength of the economy is reducing the volume of loans extended to students by financial institutions. This results in a $25.0-million decrease for the ministère de l'Éducation.

Table 3.8: Expenditures pertaining to the 2000-2001 provisions for bad debts and other provisions

	Bad debts	Losses on financial initiatives guaranteed by the government	Total
	$M	$M	$M
Éducation	82.5	7.0	89.5
Emploi, Solidarité sociale	34.8	—	34.8
Finances	—	44.0	44.0
Revenu	143.0	—	143.0
Other departments	23.8	1.6	25.4
TOTAL	284.1	52.6	336.7
COMPARATIVE 1999-2000	333.3	62.7	396.0

Breakdown of the 2000-2001 Expenditure Budget by major category (in millions of $)

	Remuneration	Operating[1]	Capital	Interest	Support	Total
Affaires municipales et Métropole	69.8	32.5	283.6	258.7	562.4	1,207.1
Agriculture, Pêcheries et Alimentation	144.0	48.7	45.6	-	481.2	719.5
Assemblée nationale	53.7	19.7	-	-	0.1	73.5
Conseil du trésor, Administration et Fonction publique	327.5	268.8	1.5	0.2	21.6	619.6
Conseil exécutif	26.0	20.2	-	-	13.7	59.9
Culture et Communications	115.6	78.2	42.3	46.4	150.3	432.9
Éducation	7,474.6	997.1	331.4	651.7	652.7	10,107.5
Emploi, Solidarité sociale	330.9	208.6	41.9	4.2	3,411.8	3,997.4
Environnement	87.7	42.3	3.3	1.5	39.0	173.8
Famille et Enfance	19.9	13.7	25.1	-	1,489.3	1,548.0
Faune et Parcs	53.2	24.9	5.7	0.1	18.6	102.5
Finances	84.6	131.3	158.8	-	133.5	508.2
Industrie et Commerce	50.8	30.8	-	0.3	69.5	151.4
Justice et Condition féminine	280.9	148.3	0.5	-	33.6	463.3
Personnes désignées par l'Assemblée nationale	25.5	13.6	-	-	2.6	41.7
Recherche, Science et Technologie	15.8	8.1	-	-	189.7	213.7
Régions	11.0	10.3	1.0	-	101.7	124.0
Relations avec les citoyens et Immigration	105.2	45.1	-	-	21.0	171.3
Relations internationales	57.6	37.3	0.8	0.5	14.7	110.9
Ressources naturelles	127.7	103.7	42.1	0.1	55.3	328.9
Revenu	268.7	310.9	30.1	4.8	0.1	614.6
Santé et Services sociaux	11,293.0	1,764.8	215.6	380.4	1,802.7	15,456.5
Sécurité publique	427.6	218.1	3.5	0.2	20.9	670.3
Tourisme	19.5	12.2	6.4	3.7	11.4	53.2
Transports	263.0	652.7	251.1	181.0	96.2	1,444.0
Travail	36.3	14.8	-	-	15.2	66.3
Program spending	**21,770.2**	**5,256.6**	**1,490.4**	**1,533.7**	**9,409.1**	**39,460.0**
Debt service		-	-	6,750.0	-	6,750.0
Total expenditures	**21,770.2**	**5,256.6**	**1,490.4**	**8,283.7**	**9,409.1**	**46,210.0**

[1] This heading includes the provision for bad debts.

Note : Totals may differ due to rounding.

Appendix B

Breakdown of the 2000-2001 Expenditure Budget by beneficiary (in millions of $)

	Departments[1]	Health and social services establishments	Educational institutions	Individuals[2]	Municipalities	Entreprises	Others[3]	Total
Affaires municipales et Métropole	58.1	-	0.3	147.1	817.1	15.8	168.7	1,207.1
Agriculture, Pêcheries et Alimentation	192.7	-	3.9	-	4.4	512.5	6.0	719.5
Assemblée nationale	73.4	-	-	0.1	-	-	-	73.5
Conseil du trésor, Administration et Fonction publique	573.1	1.3	23.6	-	1.0	4.3	16.3	619.6
Conseil exécutif	46.2	-	0.2	-	-	-	13.4	59.9
Culture et Communications	71.1	-	0.4	7.9	41.1	35.9	276.4	432.9
Éducation	202.3	-	9,619.2	245.3	-	-	40.7	10,107.5
Emploi, Solidarité sociale	576.3	-	100.0	2,970.2	-	66.0	284.9	3,997.4
Environnement	129.3	-	-	-	11.9	-	32.6	173.8
Famille et Enfance	33.6	-	-	660.0	-	138.3	716.1	1,548.0
Faune et Parcs	78.1	-	-	-	5.1	-	19.4	102.5
Finances	179.6	-	-	28.0	-	244.3	56.3	508.2
Industrie et Commerce	81.6	-	-	-	-	56.6	13.2	151.4
Justice et Condition féminine	314.6	-	-	71.4	-	-	77.4	463.3
Personnes désignées par l'Assemblée nationale	39.0	-	-	-	-	-	2.6	41.7
Recherche, Science et Technologie	19.0	56.4	40.9	31.4	-	10.2	55.9	213.7
Régions	21.4	0.2	0.7	-	3.7	21.3	76.7	124.0
Relations avec les citoyens et Immigration	150.3	-	-	9.3	-	-	11.7	171.3
Relations internationales	96.2	-	0.2	1.1	-	-	13.4	110.9
Ressources naturelles	229.6	-	2.0	-	1.9	59.0	36.5	328.9
Revenu	614.5	-	-	-	-	-	0.1	614.6
Santé et Services sociaux	99.8	10,770.9	-	3,890.5	1.7	136.5	557.1	15,456.5
Sécurité publique	649.4	-	2.1	2.9	15.5	-	0.4	670.3
Tourisme	27.6	-	-	-	-	2.4	23.3	53.2
Transports	1,089.3	-	0.7	0.3	299.7	18.8	35.1	1,444.0
Travail	51.0	-	-	-	-	-	15.2	66.3
Total expenditures	**5,697.1**	**10,828.8**	**9,794.2**	**8,065.6**	**1,203.1**	**1,321.9**	**2,549.3**	**39,460.0**

[1] Including expenditures accounted for in the special funds

[2] Incluing health professionals

[3] Including non-profit organizations and governnment corporations and agencies

Note : Totals may differ due to rounding.

CHAPTER 4

RENEWAL OF COLLECTIVE LABOUR AGREEMENTS IN THE PUBLIC AND PARAPUBLIC SECTORS

CHAPTER 4

RENEWAL OF COLLECTIVE LABOUR AGREEMENTS IN THE PUBLIC AND PARAPUBLIC SECTORS

This chapter is a broad overview of costs resulting from the renewal of collective agreements and employment contracts of government employees. These costs include, for all the employees, salary parameters and the impact of certain working condition clauses, particularly improvements to pension plans. In addition, specific agreements provide for adjustments in compensation for bodies of workers identified in the Programme gouvernemental de relativité salariale, namely nurses and teachers.

The chapter covers the period of the agreements and costs evaluated deal with the 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 fiscal years. The costs of renewing the collective agreements are included in 1999-2000 expenditures and incorporated in the expenditure budget of departments and agencies for the 2000-2001 fiscal year.

1. GLOBAL COSTS

As Table 4.1 shows, the renewal of collective agreements resulted in costs of $234.4 million in 1998-1999, $614.7 million in 1999-2000 and $1,252.6 million in 2000-2001. At the conclusion of the contracts, in 2002-2003, costs will reach $2,317.5 million. Salary parameters account for 78% of costs in 2002-2003.

Table 4.1: Costs arising from the renewal of collective agreements from 1998-1999 to 2002-2003

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
	$M	$M	$M	$M	$M
Salary parameters[1]	76.4	427.5	870.4	1,400.4	1,815.3
Salary relativity	158.0	151.2	191.8	224.0	225.3
Working condition clauses	—	36.0	190.4	225.5	276.9
TOTAL	234.4	614.7	1,252.6	1,849.9	2,317.5

[1] Includes an increase of 1.5% effective January 1, 1999, 2.5% from January 1, 2000, 2.5% from January 1, 2001 and 2.5% from January 1, 2002.

2. SALARY PARAMETERS

The agreements provide for a salary increase of 9% spread over four years, namely 1.5% effective on January 1, 1999, 2.5% from January 1, 2000, 2.5% from January 1, 2001 and 2.5% from January 1, 2002.

Costs include the effect of parameters on salaries and government contributions as an employer. The latter include employer contributions to health Services Fund, the Commission de la santé et de la Sécurité du travail, employment insurance, and the Régie des rentes du Québec.

As Table 4.2 shows, the salary parameters contained in the initial offer of March 10, 1999 result in a rise in payroll of $49.0 million in 1998-1999, $294.0 million in 1999-2000, $690.2 million in 2000-2001 and $991.2 million at the end of the offer. The revision of salary parameters on December 18, 1999 increases the payroll by $27.4 million in 1998-1999, $133.5 million in 1999-2000, $180.2 million in 2000-2001 and $824.1 million in 2002-2003. For the five fiscal years covered by the agreement, namely from 1998-1999 to 2002-2003, annual cost of salary parameters are $76.4 million, $427.5 million, $870.4 million, $1,404.4 million and $1,815.3 million.

Table 4.2: Impact of salary parameters from 1998-1999 to 2002-2003

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
	$M	$M	$M	$M	$M
Initial offers[1]	49.0	294.0	690.2	991.2	991.2[3]
Revision of parameters[2]	27.4	133.5	180.2	409.2	824.1
TOTAL	76.4	427.5	870.4	1,400.4	1,815.3

[1] Increase of 1% on January 1, 1999, 2% on January 1, 2000 and 2% on January 1, 2001.

[2] Increase of 1.5% on January 1, 1999, 2.5% on January 1, 2000, 2.5% on January 1, 2001 and 2.5% on January 1, 2002.

[3] Initial offers do not include 2002-2003.

3. SALARY RELATIVITY

Salaries were adjusted for teachers and nurses in accordance with specific agreements reached with their representatives. The size of adjustments was determined based on calculations done under the Programme gouvernemental de relativité salariale. The program was submitted for examination by the Commission de l'équité salariale, which must decide if it meets the requirements of the Pay Equity Act. The goal of this program is to establish salary scales for jobs held mainly by women which is equal to salary scales for jobs held mainly by men. Added to this primary objective is internal equity for jobs overall, i.e. a complete review of salary relativity. The evaluation was conducted jointly with several union associations.

For teachers, the adjustment in the compensation structure established under the framework of salary relativity is spread progressively over a seven-year period starting in December 1995. The cost of $158.0 million in 1998-1999 was a lump-sum payment for the period covering the fiscal years 1995-1996 to 1998-1999. The annual adjustment cost is $100.0 million in 1999-2000, $125.0 million in 2000-2001 and $156.0 million starting in 2001-2002.

The salary adjustment for nurses takes the form of a lump-sum payment amounting to 3% of salary paid in the period from April 1, 1999 to March 31, 2000. The cost of this adjustment is $51.2 million in 1999-2000. Starting April 1, 2000, a new salary scale is being introduced for nurse. Graduate nurses will now be paid on the same salary scale as social workers employed by the government. The new scales will apply as of 2000-2001 at a cost of nearly $70.0 million.

Table 4.3: Impact of salary relativity from 1998-1999 to 2002-2003

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
	$M	$M	$M	$M	$M
Education: teachers	158.0	100.0	125.0	156.0	156.0
Health and Social Services: nurses	—	51.2	66.8	68.0	69.3
TOTAL	158.0	151.2	191.8	224.0	225.3

4. WORKING CONDITION CLAUSES

As Table 4.4 shows, working condition clauses cost $36.0 million in 1999-2000 and $190.4 million in 2000-2001. In 2002-2003, the cost will reach $276.9 million. This amount include improvements to pension plans, measures proposed by the ministère de l'Éducation under its *Agir tôt pour réussir* (early education for success) action plan, and premiums and bonuses paid to certain employees in the health and social services sector.

Improvements to pension plans

Agreements concluded in the area of pension plans mainly involve adjustments of benefits. For years of service accumulated as of January 1, 2000, benefits will be adjusted based on the higher result from the following two calculations: inflation less 3% or half the inflation rate. Previously, pension benefits for years of service accumulated between 1982 and 1999 inclusively were adjusted by the inflation rate less 3%. However, benefits for years of service accumulated before 1982 were adjusted by the inflation rate as provided in the working conditions then in effect.

In addition, two new permanent criteria for taking retirement were introduced for the Government and Public Employees Retirement Plan (RREGOP). From now on, retirement can be taken at age 60 or after 35 years of service. Employees meeting any of these criteria may take their retirement without the actuarial reduction of 4% per year of early retirement.

Employees belonging to the RREGOP will also be entitled to a reduction in their contribution rate in conformity with results presented in the pension plan actuarial valuations submitted in October 1998 by the Commission administrative des régimes de retraite et d'assurances. The contribution rate is changing from 7.95% of pensionable earnings to 5.35% in 2000 and 2001. The new contribution rate was established taking into account improvements made to the plan.

This reduction in the contribution rate is made possible because of the exceptional yield achieved by the Caisse de dépôt et de placement du Québec on assets accumulated by RREGOP plan members. It is also due to a upward revision of assumptions on future yield of the employees fund by actuaries at the Commission administrative des régimes de retraite et d'assurances.

The financial participation of the government to improvements in the pension plans amounts to $32.3 million in 1999-2000 and $129.0 million in subsequent years.

Table 4.4: Impact of working condition clauses from 1998-1999 to 2002-2003

	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
	$M	$M	$M	$M	$M
Improvements to pension plans	—	32.3	129.0	129.0	129.0
Agir tôt pour réussir	—	—	11.4	45.2	95.6
Other	—	3.7	50.0	51.3	52.3
TOTAL	—	36.0	190.4	225.5	276.9

Agir tôt pour réussir

As part of a policy to adapt schools to the needs of all students, announced by the ministère de l'Éducation in January, an action plan was submitted with the theme *Agir tôt pour réussir*. The plan calls for adding teachers, professional resources and teaching support. The new resources will make it possible to intervene very early in the pupil's learning process, i.e. at the pre-school and primary school stage. As part of the renewal of employment contracts, a temporary change in teacher-pupil ratios was negotiated to enable the introduction of these educational measures.

The cost of this measure will rise over the years reflecting the steady addition of human resources. For the first year of the action plan, in 2000-2001, costs are $11.4 million. They will reach $45.2 million in 2000-2001 and $95.6 million in 2002-2003.

Other working condition clauses

The other working condition clauses concern premiums and increases paid to certain employees in the health and social services sector in the form of on-call premiums, night shift differentials, premiums for working in remote regions, and an increase in the salary of part-time employees. The cost is on the order of $50.0 million a year starting in the 2000-2001 fiscal year.

5. BREAKDOWN OF COSTS BY SECTOR

Table 4.5 shows the breakdown by sector of costs resulting from the renewal of collective labour agreements. The costs of salary parameters and working condition clauses related to pension plans are found in the three sectors: the public service, education, and health and social services. The cost of adjusting teachers' salaries under the Programme gouvernemental de relativité salariale and the cost of the *Agir tôt pour réussir* action plan on school adaptation apply to the education sector. The cost of salary relativity of nurses and the cost of working condition clauses related to premiums are accounted for in the health and social services sector.

— Public Service

The cost of renewing collective agreements in the Public Service sector is $12.4 million in 1998-1999, $81.9 million in 1999-2000 and $143.7 million in 2000-2001. It will rise to $249.8 million in 2002-2003, due mainly to salary parameters. At the end of the contract in 2002-2003, the cost of salary parameters will rise to $217.1 million while the costs of pension plans will be $32.7 million.

— The education network

The cost of renewing collective agreements in the education sector rises from $186.3 million in 1998-1999 to $257.9 million in 1999-2000 and $490.8 million in 2000-2001. It will reach $910.7 million in 2002-2003. Salary parameters account for the largest share of this cost increase. In 2002-2003, salary parameters will cost $607.0 million and the cost of salary relativity for teachers will be $156.0 million. Working condition clauses will cost $147.7 million and will rise for several years due to the addition of resources for the *Agir tôt pour réussir* project.

— The health and social services network

The cost of renewing collective agreements in the health and social services sector was $35.7 million in 1998-1999, $274.9 million in 1999-2000 and it will be $618.1 million in 2000-2001. It will reach $1,157.0 million in 2002-2003 at the conclusion of the agreement. As is the case in the other sectors, salary parameters are responsible for the greatest share of the increase in costs. In 2002-2003, salary parameters will cost $991.2 million, salary relativity for nurses will reach $69.3 million, and working condition clauses will cost $96.5 million.

Table 4.5: Breakdown by sector of the cost of renewing collective agreements from 1998-1999 to 2002-2003

	1998-1999 $M	1999-2000 $M	2000-2001 $M	2001-2002 $M	2002-2003 $M
Public Service					
Salary parameters	12.4	73.9	111.0	171.7	217.1
Pension plans[1]	—	8.0	32.7	32.7	32.7
	12.4	81.9	143.7	204.4	249.8
Education network					
Salary parameters	28.3	144.7	302.3	478.7	607.0
Salary relativity	158.0	100.0	125.0	156.0	156.0
Agir tôt pour réussir	—	—	11.4	45.2	95.6
Pension plans[2]	—	13.2	52.1	52.1	52.1
	186.3	257.9	490.8	732.0	910.7
Health and social services network					
Salary parameters	35.7	208.9	457.1	750.0	991.2
Salary relativity	—	51.2	66.8	68.0	69.3
Pension plans[3]	—	11.1	44.2	44.2	44.2
Other working condition clauses	—	3.7	50.0	51.3	52.3
	35.7	274.9	618.1	913.5	1,157.0
TOTAL	234.4	614.7	1,252.6	1,849.9	2,317.5

1 Including the cost of all plans except those registered in the Education network and the Health and Social Services network.

2 Including the cost of the RREGOP and the Teachers Pension Plan.

3 Including the cost of the RREGOP.

CHAPTER 5
THE 2000-2001 EXPENDITURE BUDGET BY MISSION

CHAPTER 5

THE 2000-2001 EXPENDITURE BUDGET BY MISSION

This chapter examines the composition of the 2000-2001 Expenditure Budget by mission. Accordingly, the programs appearing in the Estimates are divided into six missions corresponding to the major government functions.

The analysis of expenditures by mission involves program expenditures and does not include the expenditures of the special funds or those of government agencies whose budget is not voted on by the National Assembly.

1. MAJOR GOVERNMENT MISSIONS

The mission structure for 2000-2001 is the same as for 1999-2000. Hence, the missions are "Health and Social Services," "Education and Culture," "Economy and Environment," "Support for Individuals and Families," "Administration and Justice" and "Debt Payment." Appended at the end of this chapter is a complete list of the 26 portfolios and 98 programs that make up each mission.

A single change has been made to the distribution of programs within each of the missions. The Curateur public has been integrated into the budget reporting and is now part of the "Administration and Justice" mission.

2. DISTRIBUTION OF EXPENDITURES BY MISSION

Chart 5.1 shows the relative weight, as a percentage and in billions of dollars, of each mission:

- $15.4 billion goes to the "Health and Social Services" mission, which accounts for 33,3% of total expenditure. It consists of most of the programs of the ministère de la Santé et des Services sociaux.

- $10.7 billion goes to the "Education and Culture" mission, which represents 23.2% of total expenditure. It includes the various programs of the ministère de l'Éducation and the ministère de la Culture et des Communications, as well as programs of a similar vocation found in other portfolios.

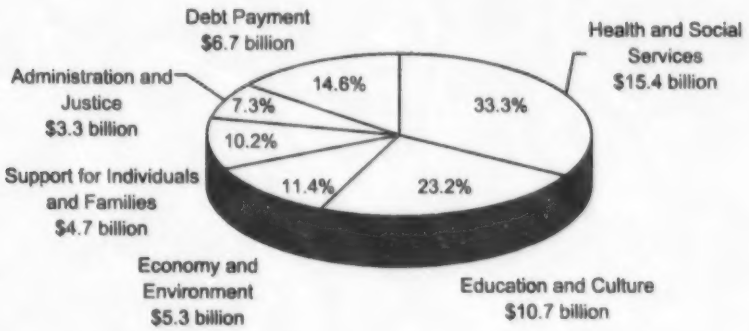
- $5.3 billion is allocated to the "Economy and Environment" mission, which absorbs 11.4% of total expenditure. It consists of expenditures to support the economy, agriculture, environmental protection, and management of natural resources.

- $4.7 billion is allocated to the "Support for Individuals and Families" mission, which takes up 10.2% of total expenditure. It includes all of the financial support programs in the areas of the family, social assistance or financial assistance for access to legal aid.

- $3.3 billion goes to the "Administration and Justice" mission, which accounts for 7.3% of total expenditure. This mission consists mainly of expenditure on government administration, as well as the administration of justice and public security. It also includes expenditure which affects several sectors of society such as youth, the status of women or research.

- $6.7 billion is earmarked for the "Debt Payment" mission, which accounts for 14.6% of total expenditure. This mission includes the Government's debt service and the interest on the pension plans account. This program is under the ministère des Finances.

Chart 5.1: Distribution of the 2000-2001 Expenditure Budget by mission



3. STRUCTURE OF THE DIFFERENT MISSIONS FOR 2000-2001

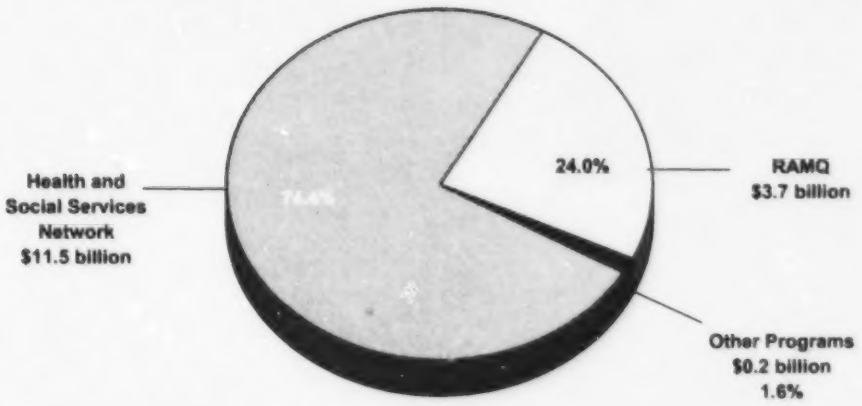
This section describes the major components of each of the missions, with their relative importance within the mission. The "Debt Payment" mission is not described because it consists of a single program.

Expenditures of the "Health and Social Services" mission

The "Health and Social Services" mission groups the programs of the portfolio of the same name, except for "Development of Recreation and Sport." This mission is essentially composed of the health and social services network establishments and the Régie de l'assurance-maladie.

As shown in Chart 5.2, the expenditures of the network accounts for 74.4% of the mission's expenditure. For its part, the Régie de l'assurance-maladie, which defrays the cost of health professionals' services and administers the prescription drug insurance fund, accounts for 24.0%. The remaining expenditures represent 1.6% of the mission's expenditure.

Chart 5.2: "Health and Social Services " mission for 2000-2001



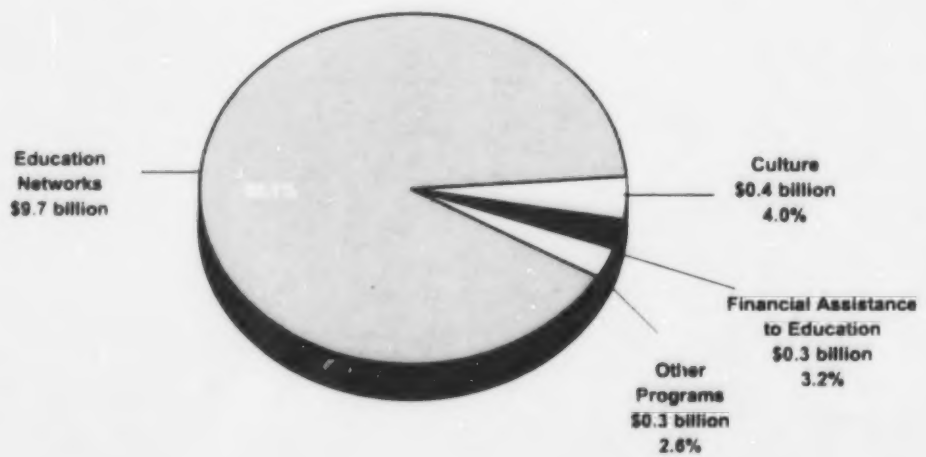
Expenditures of the "Education and Culture" mission

The "Education and Culture" mission groups the networks, culture, financial assistance for education and the other programs.

- The education networks are composed of establishments at the primary, secondary, CEGEP and university levels.
- The culture item represents the "Culture et Communications" portfolio.
- Financial assistance for education covers all of the financial support programs for students.
- Other expenditures concern administrative support of the ministère de l'Éducation, as well as integration of immigrants, application of the Charter of the French Language and the development of recreation and sport.

Chart 5.3 presents the distribution of each component within the mission. The education networks represent 90.1% of this mission's expenditure. Culture accounts for 4.1%, while financial assistance for education accounts for 3.2%. Other expenditures represent 2.6% of the mission's expenditure.

Chart 5.3: "Education and Culture" mission for 2000-2001



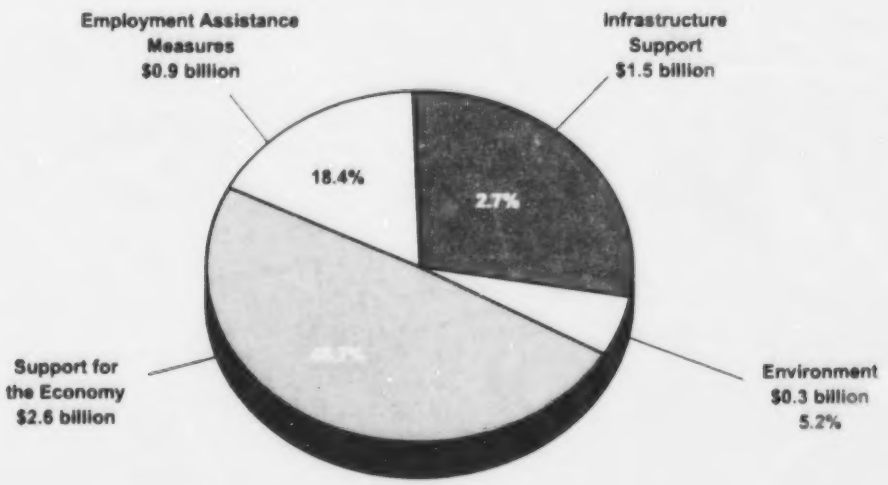
Expenditures of the "Economy and Environment" mission

The "Economy and Environment" mission is composed of the following elements: support for the economy, employment assistance measures, environment and infrastructure support.

- Support of the economy groups programs of diverse portfolios aimed at supporting economic development one specific sector at a time: agriculture and food, natural resources, tourism, industry, transport, external trade, or in terms of a specific region: greater Montréal, regions, Québec's capital.
- Employment assistance measures are covered by the program of the same name of the "Employment, Social Solidarity" portfolio.
- Infrastructure support covers the amounts for highway infrastructures, aqueduct and sewer systems, and water purification.
- The environment encompasses programs of the ministère de l'Environnement with the exception of the "Development of Québec's Capital" as well as the Faunes et Parcs portfolio.

The distribution of each component within the mission is presented in Chart 5.4. Expenditure for economic development represents the largest share at 48.7% of this mission's expenditure, infrastructure support accounts for 27.7% while employment assistance measures absorbed 18.4%. Lastly, the environment requires 5.2% of this mission's expenditure.

Chart 5.4: "Economy and Environment" mission for 2000-2001



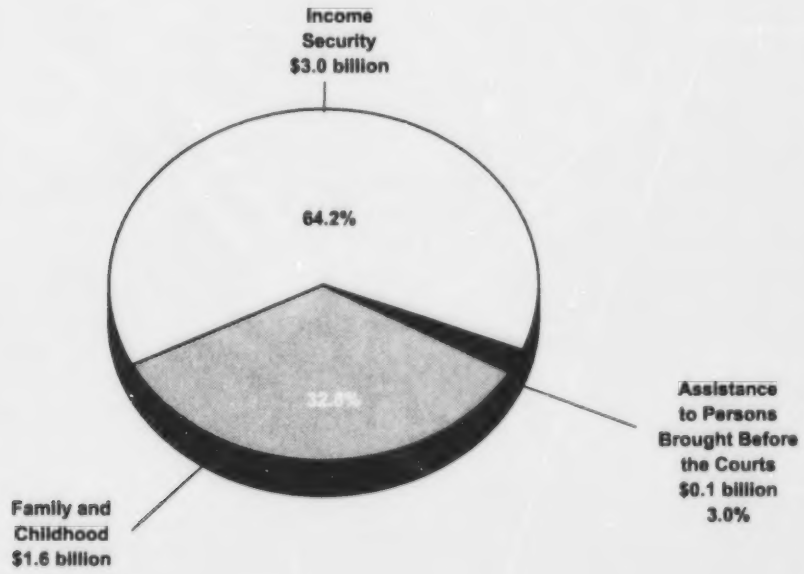
Expenditures of the "Support for Individuals and Families" mission

The "Support for Individuals and Families" mission is allocated as follows: income security, family and childhood, and assistance to persons brought before the courts.

- Income security includes expenditures related to social assistance.
- Family and childhood covers all programs of the portfolio of the same name.
- Assistance to persons brought before the courts corresponds to legal aid that ensures access to the legal system for low-income citizens.

As shown in Chart 5.5, income security requires 64.2% of this mission's expenditure, while expenditure related to the family and childhood accounts for 32.8% and assistance to persons brought before the courts represents 3.0%.

Chart 5.5: "Support for Individuals and Families" mission for 2000-2001



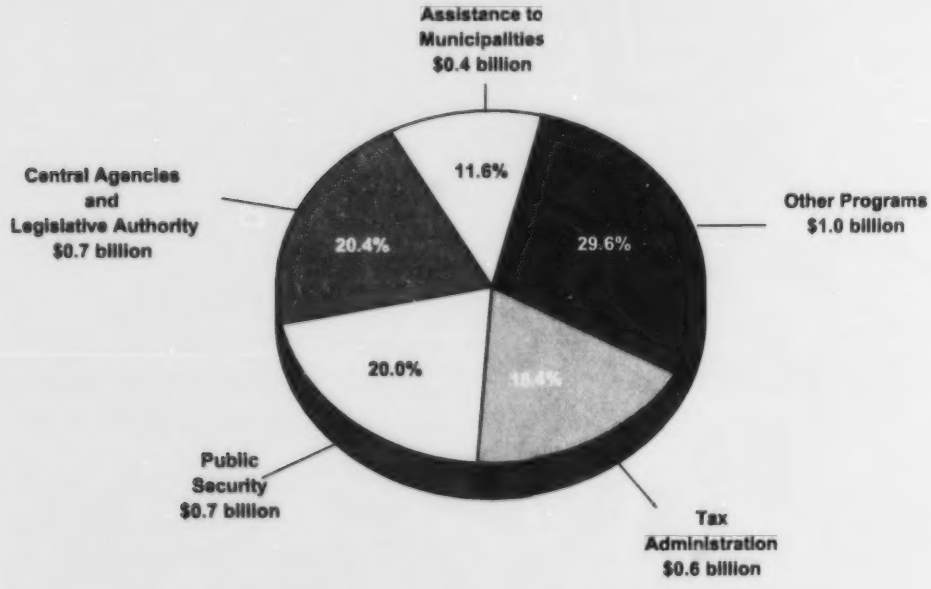
Expenditures of the "Administration and Justice" mission

The "Administration and Justice" mission is composed of the following elements: tax administration, public security, central agencies and legislative authority, assistance to municipalities and other programs.

- Tax administration encompasses the entire portfolio of the ministère du Revenu.
- The public security item represents the portfolio of the same name.
- The central agencies and legislative authority item comprises two distinct budgets: 1) the departments and agencies having a central function in exercising executive powers: the Conseil exécutif, Conseil du trésor and the ministère des Finances, and 2) the National Assembly and the agencies reporting directly to it: the Public Protector, the Auditor General and the Director General of Elections.
- Assistance to municipalities covers the compensation in lieu of taxes awarded to municipalities by the government as well as other forms of financial assistance to the municipalities.
- The other programs include diverse programs associated with the government's administrative functions found in the following portfolios: "Affaires municipales et Métropole," "Justice et Condition féminine," "Recherche, Science et Technologie," "Relations avec les citoyens et Immigration" and "Travail."

Chart 5.6 presents the structure of the "Administration and Justice" mission. The central agencies and the legislative authority component accounts for 20.4% of this mission's expenditures. Public security represents 20.0%. Tax administration takes up 18.4% of expenditure while assistance to municipalities represents 11.6%. Lastly, the other programs account for 29.6% of this mission's expenditure: they include the Contingency Fund, whose amounts will be distributed during the year to the different expenditure budget portfolios.

Chart 5.6: "Administration and Justice" mission for 2000-2001

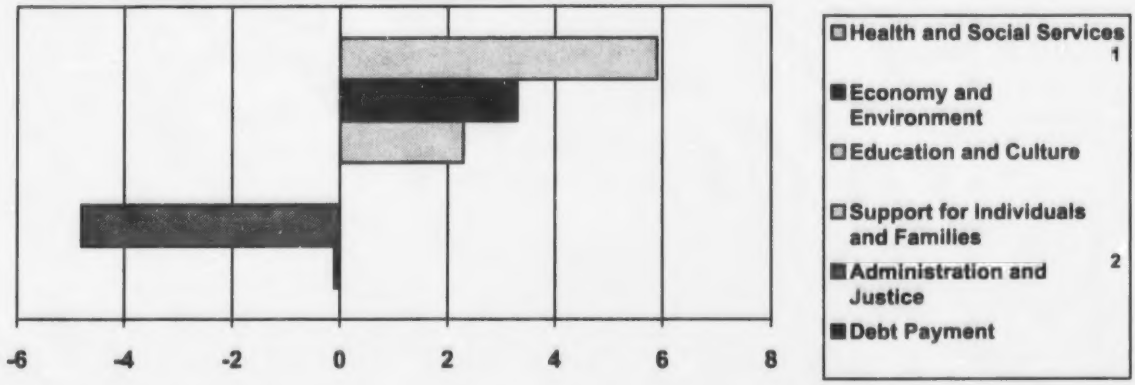


4. CHANGES IN EXPENDITURES BY MISSION FROM 1997-1998 TO 2000-2001

Chart 5.7 shows the average annual growth for 1997-1998 to 2000-2001 for each major government mission.

- Overall, the average total annual expenditure increased by 3.0% during this period.
- "Health and Social Services" experienced an average annual growth of 5.9%: this mission saw the strongest growth over the last years.
- "Economy and Environment" had an average annual increase of 3.3%, excluding the impact of the Canada-Québec agreement on the labour market.
- "Education and Culture" increased by an average of 2.3%.
- "Support for individuals and families" remained stable, with 0.0% change.
- "Administration and Justice" decreased by an average of 4.8% in a year.
- "Debt payment" experienced a slight decrease of 0.1% since last year.

Chart 5.7: Annual average expenditure budget increase from 1997-1998 to 2000-2001 by mission



1 Not including the effect of the Canada-Québec agreement on the labour market.

2 The Contingency Fund has been removed from "Administration and Justice" to reflect the fact that it will be allocated to other missions during the year.

APPENDIX A

Expenditures by mission, portfolio and program*

Health and Social Services	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Santé et Services sociaux					
National Operations	**195 364,7**	162 365,9	170 382,8	160 350,0	160 429,0
Regional Operations	**10 860 363,5**	10 717 957,4	10 713 424,4	11 036 020,0	9 659 648,0
Consolidation and Development of Health and Social Services	**600 000,0**	-	-	-	-
Office des personnes handicapées du Québec	**53 210,4**	51 797,5	65 997,0	58 630,0	51 771,0
Régie de l'assurance-maladie du Québec	**3 689 804,4**	3 507 924,3	3 534 643,2	3 365 483,0	3 065 911,0
Total of this Mission	**15 398 743,0**	14 440 045,1	14 484 447,4	14 620 483,0	12 937 759,0

* Adjustments have been made in order to present 1999-2000 expenditures on the same basis as those of the 2000-2001 Budget Speech. These adjustments lead to a expenditure increase of:

- $61.0 million for the family policy which replaces certain measures previously financed by revenues;
- $28.3 million following the inclusion of the Public Curator as a budgetary agency.

** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

APPENDIX B

Expenditures by mission, portfolio and program*

Education and Culture	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Culture et Communications					
Internal Management and National Institutions	**66 414,4**	63 939,9	64 424,4	62 406,0	58 260,0
Cultural and Communications Assistance	**120 965,3**	137 547,2	138 421,9	148 205,0	105 324,0
Government Corporations and Agencies	**245 395,2**	257 979,5	255 096,0	281 865,0	228 257,0
Éducation					
Administration and Consulting	**104 564,6**	104 952,1	104 873,0	98 469,0	93 557,0
Tourism and Hotel Industry Training	**16 815,3**	15 221,2	15 221,2	14 992,0	15 447,0
Financial Assistance for Education	**343 547,0**	442 099,1	347 734,5	395 292,0	733 874,0
Pre-school, Primary and Secondary Education	**6 049 753,2**	5 933 031,8	5 930 891,7	5 752 021,0	5 517 400,0
Higher Education	**2 944 178,2**	2 930 662,8	2 931 774,7	2 925 276,0	2 774 438,0
Consolidation and Development of Educational Services	**200 000,0**	-	-	-	-
Retirement Plans	**448 634,1**	433 572,1	433 572,1	393 498,0	313 868,0
Relations avec les citoyens et Immigration					
Immigration and Integration	**95 727,8**	95 467,9	101 856,6	91 968,0	92 558,0
Relations internationales					
Charter of the French Language	**22 890,8**	22 592,5	21 874,0	20 497,0	19 954,0
Santé et Services sociaux					
Development of Recreation and Sport	**57 780,6**	48 927,0	50 173,3	46 403,0	46 315,0
Total of this Mission	**10 716 666,5**	10 485 993,1	10 395 913,4	10 230 892,0	9 999 272,0

* Adjustments have been made in order to present 1999-2000 expenditures on the same basis as those of the 2000-2001 Budget Speech. These adjustments lead to a expenditure increase of:

- $61.0 million for the family policy which replaces certain measures previously financed by revenues;
- $28.3 million following the inclusion of the Public Curator as a budgetary agency.

** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

APPENDIX C

Expenditures by mission, portfolio and program*

Economy and Environment	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Affaires municipales et Métropole					
Greater Montréal Promotion and Development	**87 985,4**	77 177,4	77 722,5	70 966,0	49 920,0
Water and Sewer Systems, Water Treatment and Infrastructures	**400 851,5**	443 791,6	437 223,7	221 071,0	428 345,0
Housing	**270 308,7**	323 844,5	272 684,6	342 063,0	306 840,0
Agriculture, Pêcheries et Alimentation					
Training, Research and Technological Development	**33 707,5**	32 919,0	33 769,0	31 458,0	30 848,0
Farm Financing	**51 327,3**	60 003,9	53 987,0	52 713,0	46 799,0
Assistance for Agri-food Businesses	**175 756,0**	160 787,3	166 887,3	156 872,0	133 609,0
Farm Insurance	**352 582,2**	175 185,3	175 184,1	212 691,0	209 511,0
Regulatory Support	**38 532,2**	38 330,0	38 009,0	36 683,0	37 164,0
Internal Management and Support	**48 852,2**	47 458,4	48 062,1	45 146,0	43 379,0
Fisheries and Aquaculture Development	**18 711,5**	17 566,6	17 366,6	14 187,0	13 449,0
Emploi, Solidarité sociale					
Employment Assistance Measures	**969 549,5**	924 458,1	907 649,8	906 996,0	395 654,0
Environnement					
Environmental Protection	**138 678,7**	209 365,4	218 807,8	159 541,0	134 659,0
Bureau d'audiences publiques sur l'environnement	**4 396,0**	6 822,8	6 137,8	4 685,0	4 667,0
Development of Québec's Capital	**30 653,1**	25 653,1	28 338,1	16 226,0	13 035,0
Faune et Parcs					
Société de la faune et des parcs du Québec	**102 540,2**	87 563,4	75 201,0	107 911,0	117 474,0
Finances					
Economic Development Assistance	**143 405,6**	94 575,0	210 875,0	273 231,0	165 542,0
Private Investment and Job Creation Promotion Fund	**220 190,0**	190 690,0	45 113,2	-	-
Industrie et Commerce					
Technical Support for the Manufacturing and Commercial Sectors and for the Development of External Trade	**73 614,4**	72 751,3	67 257,8	58 790,0	60 698,0
Financial Assistance for the Manufacturing and Commercial Sectors and for the Development of External Trade	**77 859,1**	81 743,3	84 944,6	86 121,0	112 410,0
Régions					
Support Measures for Local and Regional Development	**124 025,5**	153 536,0	153 709,2	133 082,0	105 568,0
Relations internationales					
International Affairs	**88 008,8**	87 204,3	97 477,0	87 945,0	77 312,0

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** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

APPENDIX C

Expenditures by mission, portfolio and program*

Economy and Environment (cont'd.)	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Ressources naturelles					
Land Inventory and Management	**24 585,2**	19 708,8	20 808,0	19 836,0	18 646,0
Inventory and Management of Forest Heritage	**140 117,9**	278 174,0	284 295,3	177 169,0	148 700,0
Forestry Financing	**2 180,4**	2 307,9	2 307,9	2 283,0	2 294,0
Mineral Resources Management and Development	**44 227,2**	44 778,2	44 292,7	43 117,0	35 696,0
Management and Administrative Support	**73 768,9**	74 749,2	75 440,8	79 687,0	82 979,0
Energy Development	**44 145,3**	49 889,2	49 825,4	47 241,0	11 856,0
Tourisme					
Promotion and Development of Tourism	**53 336,3**	110 436,0	110 888,7	75 130,0	57 330,0
Transports					
Transportation Infrastructures	**1 059 874,9**	1 196 943,3	1 195 057,7	1 104 879,0	1 008 635,0
Transportation Systems	**302 733,0**	311 501,3	311 512,3	324 039,3	292 409,0
Administration and Corporate Services	**81 381,3**	81 987,0	82 268,8	77 663,0	62 413,0
Total of this Mission	**5 277 885,8**	5 481 901,6	5 393 104,8	4 969 422,0	4 207 841,0

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- $61.0 million for the family policy which replaces certain measures previously financed by revenues;
- $28.3 million following the inclusion of the Public Curator as a budgetary agency.

** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

APPENDIX D

Expenditures by mission, portfolio and program*

Support for Individuals and Families	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Emploi, Solidarité sociale					
Financial Assistance Measures	**2 830 205,5**	2 871 411,9	2 959 165,2	3 072 259,0	3 258 131,0
Management Support	**197 632,0**	172 371,9	179 904,5	153 968,0	108 507,0
Famille et Enfance					
Planning, Research and Administration	**34 291,9**	31 085,3	31 160,9	26 568,0	15 964,0
Family and Child Services	**847 292,0**	615 656,7	579 656,7	463 009,0	382 504,0
Family Benefits	**665 630,0**	812 570,9	824 470,9	909 299,0	787 963,0
Conseil de la famille et de l'enfance	**796,4**	782,3	782,3	626,0	550,0
Justice et Condition féminine					
Assistance to Persons Brought before the Courts	**140 751,0**	138 096,3	140 960,7	164 825,0	154 882,0
Total of this Mission	**4 716 598,8**	4 641 975,3	4 716 101,2	4 790 554,0	4 708 501,0

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APPENDIX E

Expenditures by mission, portfolio and program*

Administration and Justice	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
National Assembly					
General Secretariat, Legal and Parliamentary Affairs, Interparliamentary Relations, Communications and Protocol	**11 104,5**	10 887,6	10 887,6	9 672,0	9 580,0
Management, Broadcasting of Debates, Material and Technical Support	**26 186,6**	25 772,5	25 832,2	23 868,0	20 358,0
Statutory Support Services for Parliamentarians	**36 248,5**	35 384,2	35 384,2	37 010,0	34 646,0
Persons Appointed by the National Assembly					
The Public Protector	**6 294,4**	6 328,3	6 219,9	5 659,0	5 474,0
The Auditor General	**15 180,2**	14 865,1	14 890,1	14 439,0	14 208,0
Administration of the Electoral System	**20 171,5**	21 410,4	21 473,0	73 625,0	16 664,0
Affaires municipales et Métropole					
Compensation in lieu of Taxes and Financial Assistance to Municipalities	**390 027,1**	258 527,1	268 098,4	296 016,0	351 262,0
General Administration	**41 270,4**	41 139,3	41 765,8	64 436,0	45 973,0
Administrative and Quasi-judicial Agencies	**3 338,9**	3 292,7	3 197,7	3 223,0	2 779,0
Régie du logement	**13 244,9**	13 339,2	13 256,2	13 376,0	13 339,0
Conseil du trésor, Administration et Fonction publique					
Conseil du trésor	**60 417,9**	61 417,2	57 527,7	58 943,0	65 569,0
Government Operations	**106 653,1**	96 469,6	138 803,5	194 610,0	416 664,0
Commission de la fonction publique	**2 092,9**	2 288,5	2 300,5	2 185,0	2 117,0
Retirement and Insurance Plans	**218 746,8**	195 437,5	195 437,5	169 621,0	123 236,0
Contingency Fund	**231 774,6**	98 434,6	34 886,0	-	-
Conseil exécutif					
Lieutenant-Governor's Office	**929,4**	920,3	920,3	688,0	545,0
Support Services for the Prime Minister and the Conseil exécutif	**27 233,0**	26 458,4	28 566,6	27 139,0	25 094,0
Canadian Intergovernmental Affairs	**9 795,9**	11 600,3	12 909,7	9 621,0	8 569,0
Native Affairs	**13 217,9**	13 243,1	10 386,4	4 296,0	4 491,0
Youth	**8 667,2**	127 852,6	127 336,6	2 693,0	1 921,0
Finances					
Economic and Fiscal Policies	**29 820,2**	25 129,5	23 597,2	19 634,0	17 957,0
Financial Policies and Operations	**11 418,1**	9 631,1	9 495,2	9 250,0	6 662,0
Comptroller of Finance	**16 645,0**	16 145,0	14 645,7	14 776,0	14 741,0
Internal Management and Support	**21 618,0**	19 719,9	19 024,8	16 966,0	20 909,0
The Inspector General of Financial Institutions	**23 073,5**	23 214,1	22 889,5	20 182,0	18 525,0
Provision for initiatives concerning revenues	**41 998,4**	44 453,4	11 518,0	-	-
Depreciation of Assets Acquired before March 31, 1997	-	-	-	-	67 596,0

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- $61.0 million for the family policy which replaces certain measures previously financed by revenues;
- $28.3 million following the inclusion of the Public Curator as a budgetary agency.

** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

APPENDIX E

Expenditures by mission, portfolio and program*

Administration and Justice (cont'd.)	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Justice et Condition féminine					
Formulation of Decisions	**57 007,4**	56 034,7	58 636,1	58 650,0	53 325,0
Administration of Justice	**248 710,0**	243 748,5	248 860,3	251 230,0	237 022,0
Administrative Justice	**9 872,3**	10 195,5	10 228,7	11 794,0	8 618,0
Status of Women	**6 979,0**	6 959,9	6 972,9	5 691,0	5 524,0
Recherche, Science et Technologie					
Support for the Development of Research, Science and Technology	**18 967,8**	12 753,0	12 688,1	6 973,0	6 053,0
Financial Support for the Development of Research, Science and Technology	**194 684,2**	292 600,5	291 900,5	236 158,0	131 927,0
Relations avec les citoyens et Immigration					
Civic Relations and Citizen Relations	**17 003,2**	18 373,4	19 807,4	33 700,0	21 845,0
Advisory and Protection Bodies Responsible to the Minister	**21 240,0**	21 639,6	21 987,5	21 712,0	22 306,0
Public Curator	**37 297,9**	-	28 314,0	13 288,0	17 868,0
Revenu					
Tax Administration	**614 613,7**	651 773,5	658 880,9	845 330,0	1 085 383,0
Sécurité publique					
Internal Management and Control of Activities Relating to Alcohol, Racing and Gambling	**140 405,4**	133 220,0	135 668,7	134 916,0	128 128,0
Sûreté du Québec	**321 266,9**	317 404,1	337 765,8	334 183,0	310 434,0
Custody of Prisoners and Reintegration of Delinquents into Society	**156 430,8**	158 282,1	165 260,6	162 034,0	155 964,0
Safety and Prevention	**52 233,2**	49 326,5	62 897,4	72 338,0	69 134,0
Travail					
Labour	**66 225,2**	64 531,7	73 314,0	72 023,0	67 848,0
Total of this Mission	**3 350 105,9**	3 240 204,5	3 284 433,2	3 351 948,0	3 630 258,0

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- $28.3 million following the inclusion of the Public Curator as a budgetary agency.

** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

APPENDIX F

Expenditures by mission, portfolio and program*

Debt Payment	2000-2001 Expenditure Budget	1999-2000 Expenditure Budget **	1999-2000 Probable Expenditure	1998-1999 Expenditures	1997-1998 Expenditures
			($ 000)		
Finances					
Debt Service and Interest on the Retirement Plans Account	**6 750 000,0**	6 724 000,0	6 724 000,0	6 573 309,0	6 765 342,0
Total of this Mission	**6 750 000,0**	6 724 000,0	6 724 000,0	6 573 309,0	6 765 342,0
Unexpended Appropriations	-	(105 433,6)	-	-	-
Adjustments	-	89 314,0	-	-	-
Mission Total	**46 210 000,0**	44 998 000,0	44 998 000,0	44 536 608,0	42 248 973,0

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- $61.0 million for the family policy which replaces certain measures previously financed by revenues;
- $28.3 million following the inclusion of the Public Curator as a budgetary agency.

** Data on the 1999-2000 Expenditure Budget includes the amounts entered in the Estimates for that year and, for some programs, the effect of the Supplementary Estimates of March 2000. They also include permanent increases, as well as recurrent appropriation transfers from the « Contingency Fund » program.

CHAPTER 6
DEFINED-PURPOSE ACCOUNTS

CHAPTER 6

DEFINED-PURPOSE ACCOUNTS

This chapter discusses the defined-purpose accounts for 2000-2001 along with their forecast expenditures as established by the departments and agencies that administer them.

The defined-purpose accounts are not presented in the *Estimates* because they concern amounts received under a contract or agreement that stipulates their allocation for a specific purpose. Neither are the expenditures from these accounts included in the government's consolidated financial expenditures. They are provided to supplement the information on the activities of the departments, even if they are not part of their expenditure budget.

These accounts correspond to revenue allocated by an external source, as presented by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Until the service is rendered, these amounts are considered as debts or liabilities to the funding party.

1. OBJECTIVE OF DEFINED-PURPOSE ACCOUNTS

In general, all government revenues are paid into the consolidated revenue fund except in cases where a contract or agreement limits the use of these amounts to a specific purpose, such as financing an activity or cooperating with another country. In such cases, the government may open a defined-purpose account under section 29.1 of the Financial Administration Act (R.S.Q., c. A-6).

Financial operations that involve a defined-purpose account are governed by all of the regulations, policies and guidelines applicable to transactions carried out by means of a department's voted or permanent appropriations. In addition, account spending is subject to verification by the Auditor General and is posted by the Comptroller of Finance.

The government has 37 defined-purpose accounts in place in 16 departments for 2000-2001. Of these accounts, two are general and may be used by different departments subject to certain conditions. They are the "Training, partnership and organization of special events" account and the "Financing autonomous service units" (ASUs) account. These accounts are used to consolidate activities of a similar nature, relating to training, partnership and organization of special events or to financing of ASUs pursued by several different departments. This simplifies the monitoring of these activities and avoids the need to create a separate defined-purpose account for each departmental activity meeting the conditions for drawing on the accounts.

2. DATA ON DEFINED-PURPOSE ACCOUNTS

Table 6.1 presents data on payments and debits forcasted by the departments for 2000-2001 for the main defined-purpose accounts. Spending under these accounts totals $298.5 million. Detailed data on defined-purpose accounts can be found in Appendix A.

Five defined-purpose accounts make up the greatest share of payments. Two of these funds account for over 60% of the expenditures of these accounts. They are the "GST administration account," which amounts to $106.6 million or 35.7% of the total, and the "Millennium Scholarship fund financing account," which totalled $77.0 million, or 25.8%.

The GST administration account is the only account for which staff subject to the Public Service Act is assigned, namely 1,440 FTEs.

Table 6.1: Payments and other debits to the main defined-purpose accounts in 2000-2001

	($000)	%
REVENUE		
- GST administration	106,558.3	35.7
ÉDUCATION		
- Financing of millennium scholarships	77,000.0	25.8
SÉCURITÉ PUBLIQUE		
- Administration of the Firearms Act	14,131.1	4.7
CONSEIL DU TRÉSOR, ADMINISTRATION ET FONCTION PUBLIQUE		
- Financial assistance for the disaster of January 5 to 9, 1998 (ice storm)	14,080.0	4.7
AFFAIRES MUNICIPALES		
- Infrastructure works	13,422.0	4.5
OTHER	73,345.2	24.6
TOTAL	298,536.6	100.0

Appendix A

Defined-purpose accounts: payments and other departmental debits in 2000-2001

	($000)
AFFAIRES MUNICIPALES ET MÉTROPOLE	
- Repair of water, sewer and sewage treatment infrastructures of the city of Schefferville	242.8
- Infrastructure works	13,422.0
AGRICULTURE, PÊCHERIES ET ALIMENTATION	
- Development of the agri-food industry	381.0
- Financing of certain agriculture and fishing activities	5,000.0
- Training, partnership and organization of special events	2,250.0
CONSEIL DU TRÉSOR, ADMINISTRATION ET FONCTION PUBLIQUE	
- Financial assistance for the disaster of January 5 to 9, 1998 (ice storm)	14,080.0
CULTURE ET COMMUNICATIONS	
- Application of the Policy on the integration of the arts in architecture and in the environment of buildings and government and public sites	537.6
- Application of the Bill & Melinda Gates Foundation grant program	8,000.0
- Financing of autonomous service units (Centre de conservation du Québec)	400.0
- Training, partnership and organization of special events	20.0
- Financing to stabilize certain cultural organizations	625.0
ÉDUCATION	
- Minority language teaching and second language teaching	12,403.0
- Financing of millennium scholarships	77,000.0
- Training in federal penitentiaries	4,031.3
- Training, partnership and organization of special events	400.0
- Literacy program	2,960.0
ENVIRONNEMENT	
- Financing of autonomous service units (Centre d'expertise en analyse environnementale)	600.0
- Training, partnership and organization of special events	33.1
FINANCES	
- Financing of the horse racing industry recovery plan	12,000.0
INDUSTRIE ET COMMERCE	
- Support for financing of foreign capital projects	245.0

Appendix A

Defined-purpose accounts: payments and other departmental debits in 2000-2001

	($000)
RELATIONS AVEC LES CITOYENS ET IMMIGRATION	
- Reception and housing of Kosovo refugees	8,932.8
RELATIONS INTERNATIONALES	
- Training, partnership and organization of special events	265.0
RESSOURCES NATURELLES	
- Training, partnership and organization of special events	225.1
- Mining sector cooperation project with Bolivia	990.0
REVENU	
- Goods and Services Tax administration	106,558.3
SANTÉ ET SERVICES SOCIAUX	
- Financing of certain organizations, projects and activities in the sports and recreation field	500.0
- Financing of the program to assist pathological gamblers	3,000.0
- Training, partnership and organization of special events	16.0
SÉCURITÉ PUBLIQUE	
- Administration of the Firearms Act	14,131.1
- Financing of autonomous service units (Laboratoire de sciences judiciaires et de médecine légale)	930.0
- Financing the joint civil defence program	540.1
- Training, partnership and organization of special events	271.0
TRANSPORTS	
- Financing of road improvement works of the Outaouais region of Québec	330.0
- Financing of the access road to the Cree community of Waskaganish	2,500.0
- Canada-Québec strategic road improvement program	79.0
TRAVAIL	
- Financing of the Bureau d'évaluation médicale	1,637.4
- Financing of the Bureau du commissaire général du travail	3,000.0
Total	298,536.6

CHAPTER 7

CONSOLIDATED GOVERNMENT EXPENDITURES AND RESULTS OF CONSOLIDATED AGENCIES AND SPECIAL FUNDS

CHAPTER 7

CONSOLIDATED GOVERNMENT EXPENDITURES AND RESULTS OF CONSOLIDATED AGENCIES AND SPECIAL FUNDS[1]

Following the reform of government accounting announced in the 1998-1999 Budget Speech, the government's budget forecasts are now presented on a consolidated basis. However, the expenditure budget appearing in the *Estimates* does not include the effect of the consolidation of agencies and special funds on the expenditures of the various portfolios.

The purpose of this chapter is to present the budget data of these public entities and show the effect of their consolidation on the government's budget forecasts.

1. THE GOVERNMENT'S ACCOUNTING PERIMETER

The purpose of consolidation is to group all financial transactions and resources for which the government is responsible. This provides a comprehensive image of the government by including information pertaining to the activities of departments, government agencies, government corporations and special funds.

Since the accounting reform, the government's accounting perimeter encompasses not only the departments and other budget entities, but also all agencies, corporations and special funds that must account for their financial resources and operations management either to a department or directly to the National Assembly, and that belong to the government or are under its control.

Two methods of consolidation are used depending on the type of entity involved.

— Full consolidation consists in adding up the accounts of departments, agencies and special funds, line by line. This incorporates their financial transactions, such as the expenditures and debt of agencies, into the government's financial statements. This method is used for public entities appearing in Appendix A.

— The modified equity method applies to government corporations appearing in Appendix B. It consists in adding net results of these corporations (surplus or deficit) to the government's revenue.

The consolidation of the results of government corporations appearing in Appendix B is not considered in this chapter because it has no impact on the government's spending.

[1] Excluding results of government corporations. These corporations are listed in Appendix B.

It is also important to note that health and social services establishments, educational institutions, and property held by agencies performing fiduciary activities (Appendix C) are not included in the government's accounting perimeter.

This chapter discusses only entities consolidated according to the full consolidation method, namely those for which financial forecasts appear in Appendix A.

2. CONSOLIDATED AGENCIES AND SPECIAL FUNDS

There are two groups of consolidated entities: government agencies and special funds.

The government has created different types of agencies to implement its policies and provide certain services to the public. While varied in size and status, these agencies, like boards, commissions and corporations, are all more autonomous than departments. The law gives them more extensive financial and operating powers. They also have more latitude to establish their systems and practices. For example, they can determine their own accounting policies and their employees' working conditions. They can also resort to sources of financing outside the government. However, these agencies come under the authority of a Minister, to whom they must account for all of their financial management.

Special funds are financial management tools that are used, in certain situations, to administer resources using management methods different from the departments. Some special funds provide administrative services to government departments and agencies, and make it possible to bill the departments and agencies to make their managers more accountable for the cost of goods or services acquired or produced centrally.

For the 2000-2001 fiscal year, certain changes should be noted regarding the number of agencies or special funds whose expenditures have been consolidated with the government's. An agency, called the Bureau d'accréditation des pêcheurs and des aides-pêcheurs du Québec, was added to the Agriculture, Pêcheries et Alimentation portfolio. Two new agencies were added to the Finances portfolio: the Fonds du centre financier de Montréal and the Société de développement de la zone de commerce international de Montréal à Mirabel. Lastly, the Fund for the Sale of Goods and Services under the Ressources naturelles portfolio and the Information Technology Fund of the ministère des Finances will cease operations in 2000-2001.

3. CONSOLIDATED GOVERNMENT EXPENDITURES

Consolidated government expenditures include program spending, debt service, and expenditures by special funds and government agencies.

Table 7.1 gives the government's consolidated expenditures for 1999-2000 and 2000-2001. The agency and special fund expenditures over and above those of the government are the amounts that remain after eliminating inter-entity transactions and harmonizing accounting principles, where applicable.

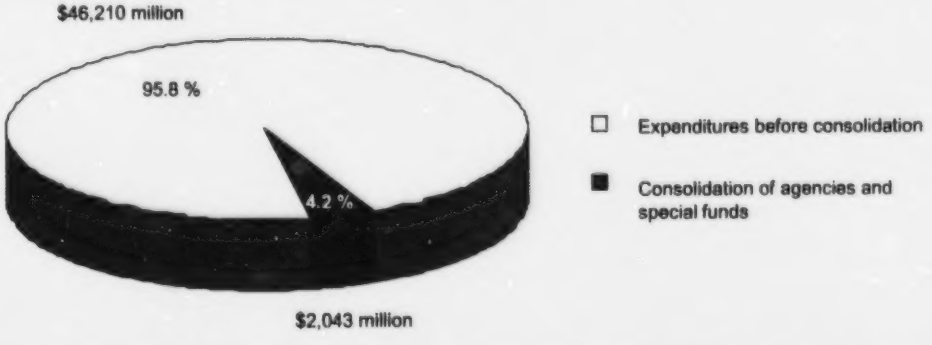
Table 7.1: Consolidated government expenditure

	2000-2001 $M	1999-2000 $M
Program spending	39,460	38,274
Debt service	6,750	6,724
	46,210	44,998
Consolidation of agencies and special funds	2,043	1,963
CONSOLIDATED EXPENDITURES	48,253	46,961

Program spending for the fiscal year beginning April 1, 2000 amounts to $39,460.0 million to which $6,750.0 million is added for government debt service. The consolidation of special funds and government agencies adds $2,043.0 million to these expenditures for a consolidated total of $48,253.0 millionbillion for the 2000-2001 fiscal year.

Chart 7.1 shows the impact of additional expenditures incurred by government agencies and special funds on the government's expenditures. The consolidation of agencies and special funds represents $2,043.0 million or 4.2% of consolidated government expenditures in 2000-2001.

Chart 7.1: Impact of the consolidation of agencies and special funds on government expenditures for 2000-2001



4. RESULTS OF CONSOLIDATED AGENCIES AND SPECIAL FUNDS

Consolidated agencies and special funds are considered in government budgeting processes because they receive the majority of their financing through the sale of goods and services or through contributions from the Department they come under. Generally, their activities are often closely tied to the objectives of the program from which they stem.

The consolidation of agencies within the government's accounting perimeter has led to changes in the method of managing departmental budgets. Departmental envelopes are now composed of:

- the expenditure envelope provided for in the *Estimates*, and
- the net result, i.e. the difference between the revenue and expenditures of the agencies and special funds.

Each minister is responsible for ensuring that consolidated agencies under their responsibility do not have a negative impact on government financial results.

Table 7.2 shows that the gross revenues and expenditures of agencies and special funds amount to $10,962.9 million and $10,976.0 million respectively. However, after consolidation adjustments, the overall impact of agencies and special funds on government results amounts to $83.0 million.

Table 7.2: Impact of consolidation of special funds and agencies on government results

	2000-2001			1999-2000
	Revenues	**Expenditures**	**Result**	**Result**
	$M	**$M**	**$M**	**$M**
Special funds	3,583.5	3,600.6	(17.1)	(39.3)
Agencies	7,379.4	7,375.4	4.0	68.1
	10,962.9	10,976.0	(13.1)	28.8
Consolidation adjustments[1]	(8,836.9)	(8,933.0)	96.1	(14.8)
IMPACT OF CONSOLIDATION	2,126.0	2,043.0	83.0	14.0

[1] There are two kinds of adjustments. The first consists in eliminating the transactions concluded by these entities among themselves or with departments or budgetary agencies. This adjustment is necessary to avoid duplicate accounting of expenditures. The second type of adjustment results from the harmonization of the accounting policies of special funds and agencies with those of the government.

Appendix A gives the results of the special funds and government agencies, as well as their gross revenues and expenditures, i.e. before making the consolidation adjustments required to ensure compliance with government accounting principles.

The deficit of the special funds falls from $39.3 million in 1999-2000 to $17.1 million in 2000-2001. The three special funds with the greatest impact on government results are described below.

— For 1999-2000, the Fonds de l'assurance-médicaments is reporting a deficit of $83.8 million. A general consultation on the financial viability of the Prescription Drug Insurance Plan began in February 2000. Alternative solutions to balance the Fund in 2000-2001 have been explored.

— The Fund to Combat Poverty through Reintegration into the Labour Market shows a deficit of $41.9 million in 2000-2001, compared to $14.3 million in 1999-2000. It should be noted that the deficit is covered by the surplus accumulated in the Fund over previous years.

— The Cadastre Reform Fund posts a surplus of $23.8 million in 2000-2001, mainly because of a change in its depreciation rules.

Government agencies report a surplus. Probable results for the 1999-2000 fiscal year represent a surplus of $68.1 million, compared to 2000-2001 forecasts of $4.0 million. This change is due mainly to the fact that three agencies recording surpluses in 1999-2000 are forecasting balanced budgets in 2000-2001. They are:

— Commission des valeurs mobilières du Québec,

— Investissement-Québec, and

— Société québécoise de récupération et de recyclage.

APPENDIX A

Results of agencies and special funds

	2000-2001			1999-2000
	Revenues	Expenditures	Result	Result
	$M	$M	$M	$M
Affaires municipales et Métropole				
Agence Métropolitaine de transport [1]	190.7	194.5	(3.8)	(2.6)
Special Local Activities Financing Fund	428.0	428.0	-	-
Régie des installations olympiques [1]	32.2	32.5	(0.3)	(3.0)
Société d'habitation du Québec	555.0	555.0	-	-
Société du Palais des congrès de Montréal	27.0	27.0	-	-
Société québécoise d'assainissement des eaux	291.9	296.2	(4.3)	(1.3)
	1.524.8	1.533.2	(8.4)	(6.9)
Agriculture, Pêcheries et Alimentation				
Bureau d'accréditation des pêcheurs et des aides-pêcheurs du Québec	0.2	0.2	-	0.1
Fonds d'assurance-prêts agricoles et forestiers [2]	17.5	11.6	5.9	7.3
Société de financement agricole	54.1	54.3	(0.2)	0.3
	71.8	66.1	5.7	7.7
Conseil du trésor, Administration et Fonction publique				
Disaster Assistance Fund for Certain Areas (Saguenay)	30.8	30.8	-	-
Fonds des services gouvernementaux	302.2	295.3	6.9	0.1
Information Technology Fund of the Conseil du trésor	1.8	1.8	-	-
Fund relating to the Ice Storm	39.9	39.9	-	-
Société immobilière du Québec	481.1	481.1	-	-
	855.8	848.9	6.9	0.1
Culture et Communications				
Bibliothèque nationale du Québec	10.9	10.9	-	-
Commission de reconnaissance des associations d'artistes	0.4	0.4	-	(0.1)
Conseil des arts et des lettres du Québec	49.5	49.5	-	-
Grande bibliothèque du Québec	4.8	5.4	(0.6)	0.3
Musée d'art contemporain de Montréal	11.1	11.1	-	0.1
Musée de la civilisation	23.5	23.5	-	-
Musée du Québec	15.9	15.9	-	(0.2)
Société de développement des corporations culturelles	44.3	44.1	0.2	-
Société de la Place des arts de Montréal	33.2	33.1	0.1	(0.1)
Société de télédiffusion du Québec	65.6	65.6	-	-
Société du Grand Théâtre de Québec	8.1	8.0	0.1	-
	267.3	267.5	(0.2)	-
Éducation				
Institut de tourisme et d'hôtellerie du Québec	20.3	20.3	-	(0.1)

APPENDIX A

Results of agencies and special funds

	2000-2001			1999-2000
	Revenues	Expenditures	Result	Result
	$M	$M	$M	$M
Emploi, Solidarité sociale				
Assistance Fund for Independent Community Action	15.8	16.5	(0.7)	(2.3)
Labour Market Development Fund	940.4	940.4	-	35.0
Fund to Combat Poverty through Reintegration into the Labour Market	18.7	60.6	(41.9)	(14.3)
Information Technology Fund of the ministère de la Solidarité sociale	46.3	46.3	-	-
Office de la sécurité du revenu des chasseurs et piégeurs Cris	17.4	17.4	-	-
	1 038.6	1 081.2	(42.6)	18.4
Environnement				
Commission de la capitale nationale du Québec	14.3	14.3	-	0.5
Société québécoise de récupération et de recyclage	15.5	15.5	-	16.3
	29.8	29.8	-	16.8
Faune et Parcs				
Fondation de la faune du Québec	5.2	5.2	-	(0.1)
Finances				
Commission des valeurs mobilières du Québec	21.9	21.9	-	15.8
Financing Fund	169.9	168.9	1.0	4.3
Horse-Racing Industry Fund	14.5	14.5	-	-
Fonds du centre financier de Montréal	0.6	0.6	-	0.4
Fonds spécial olympique	75.0	74.7	0.3	0.3
Institut de la statistique du Québec	17.8	17.8	-	(0.7)
Investissement-Québec	285.0	285.0	-	23.3
Société de développement de la zone de commerce international de Montréal à Mirabel	7.1	7.1	-	3.8
	591.8	590.5	1.3	47.2
Industrie et Commerce				
Parc technologique du Québec métropolitain	1.0	1.1	(0.1)	(0.1)
SIDBEC	0.3	0.3	-	(0.4)
Société d'investissement Jeunesse	0.1	0.1	-	-
Société du Parc industriel and portuaire de Bécancour	4.6	5.8	(1.2)	(1.2)
	6.0	7.3	(1.3)	(1.7)
Justice et Condition féminine				
Commission des services juridiques	107.0	101.0	6.0	0.9
Fonds d'aide aux recours collectifs [2]	1.0	1.3	(0.3)	(0.3)
Fonds d'aide aux victimes d'actes criminels	1.6	1.6	-	0.1
Register Fund	57.7	54.3	3.4	0.5
Office des professions du Québec	4.5	5.1	(0.6)	0.2
Société québécoise d'information juridique	8.7	8.7	-	(0.2)
Tribunal administratif du Québec	24.7	25.4	(0.7)	(2.0)
	205.2	197.4	7.8	(0.8)

APPENDIX A

Results of agencies and special funds

	2000-2001			1999-2000
	Revenues	Expenditures	Result	Result
	$M	$M	$M	$M
Recherche, Science et Technologie				
Fonds de la recherche en santé du Québec [2]	104.2	103.5	0.7	0.9
Fonds pour la formation de chercheurs et l'aide à la recherche [2]	73.9	74.0	(0.1)	(1.4)
	178.1	177.5	0.6	(0.5)
Régions				
Regional Development Fund	25.2	25.2	-	-
Relations avec les citoyens et Immigration				
Civil Status Fund	10.7	11.0	(0.3)	0.2
Government Information Fund	34.3	34.3	-	-
	45.0	45.3	(0.3)	0.2
Relations internationales				
Fund for the Management of Québec Immovables on Foreign Soil	9.6	9.6	-	-
Ressources naturelles				
Agence d'efficacité énergétique	4.8	5.3	(0.5)	-
Land and Geographic Information Fund	2.3	2.3	-	0.1
Quebec Cadastre Reform Fund	36.8	13.0	23.8	23.3
Fonds forestier	89.4	98.7	(9.3)	(1.0)
Régie de l'énergie	8.5	8.5	-	-
Société nationale de l'amiante	-	0.7	(0.7)	(0.7)
	141.8	128.5	13.3	21.7
Revenu				
Tax Collection Fund	55.5	55.6	(0.1)	(1.1)
Fonds des pensions alimentaires [3]	38.7	38.7	-	-
Information Technology Fund of the ministère du Revenu	33.8	33.8	-	-
	128.0	128.1	(0.1)	(1.1)
Santé et Services sociaux				
Corporation d'urgences-santé de la région de Montréal métropolitain	70.6	67.0	3.6	6.1
Fonds de l'assurance-médicaments	349.5	349.5	-	(83.8)
Héma-Québec	171.6	171.6	-	-
Institut national de santé publique du Québec	16.8	16.8	-	-
Régie de l'assurance-maladie du Québec	4,280.9	4,280.9	-	-
	4,889.4	4,885.8	3.6	(77.7)
Sécurité publique				
Police Services Fund	213.0	213.0	-	-
Institut de police du Québec	13.5	13.5	-	0.4
	226.5	226.5	-	0.4

APPENDIX A

Results of agencies and special funds

	2000-2001			1999-2000
	Revenues	Expenditures	Result	Result
	$M	$M	$M	$M
Tourisme				
Tourism Partnership Fund	61.7	61.9	(0.2)	(0.6)
Société du Centre des congrès de Québec	20.1	20.4	(0.3)	(0.9)
	81.8	82.3	(0.5)	(1.5)
Transports				
Road Network Preservation and Improvement Fund	373.7	373.7	-	-
Rolling Stock Management Fund	44.0	44.0	-	(0.5)
Fund for the Contribution of Motorists to Public Transit	62.1	62.1	-	-
Société des traversiers du Québec	51.3	52.2	(0.9)	(1.0)
	531.1	532.0	(0.9)	(1.5)
Travail				
Commissaire de l'industrie de la construction	1.1	1.1	-	0.2
Commission des lésions professionnelles	47.4	48.4	(1.0)	(3.5)
Commission des normes du travail	41.3	38.3	3.0	11.5
	89.8	87.8	2.0	8.2
TOTAL	10,962.9	10,976.0	(13.1)	28.8
Consolidation adjustments	(8,836.9)	(8,933.0)	96.1	(14.8)
Impact of consolidation	2,126.0	2,043.0	83.0	14.0

[1] Estimates correspond solely to the agencies' operating funds.

[2] These funds must be considered as an agency, not a special fund.

[3] This agency also performs fiduciary activities outside the government's accounting perimeter.

APPENDIX B

Government corporations

Centre de recherche industrielle du Québec

Commission de la santé et de la sécurité du travail

Corporation d'hébergement du Québec

Financement - Québec

Fonds d'indemnisation du courtage immobilier

Hydro-Québec [1]

Loto-Québec

Régie de l'assurance-dépôt du Québec

Société de développement de la Baie James (SDBJ)

Société de l'assurance automobile du Québec

Société des alcools du Québec

Société des établissements de plein air du Québec

Société d'habitation du Québec – Immobilière

Société générale de financement du Québec et ses filiales :

- Société de récupération, d'exploitation et de développement forestiers du Québec (REXFOR)
- Société québécoise d'exploration minière (SOQUEM)
- Société québécoise d'initiatives agro-alimentaires (SOQUIA)
- Société québécoise d'initiatives pétrolières (SOQUIP)

Société Innovatech du Grand Montréal

Société Innovatech du Sud du Québec

Société Innovatech Québec et Chaudière – Appalaches

Société Innovatech Régions ressources

[1] This agency also performs fiduciary activities outside the government's accounting perimeter.

APPENDIX C

Agencies and funds performing fiduciary activities

Caisse de dépôt et placement du Québec

Centraide Committee – Public Sector

Commission administrative des régimes de retraite et d'assurances

Commission de la construction du Québec

Funds administered by the Régie des marchés agricoles et alimentaires du Québec

Fonds central pour le bénéfice des personnes incarcérées

Fonds d'assurance récolte

Fonds d'assurance stabilisation des revenues agricoles

Fonds de contrat à terme

Travel Agents' Security Fund

Fonds des pensions alimentaires (trust portion)

Fonds d'indemnisation du courtage immobilier (trust portion)

Fonds d'indemnisation en assurance de dommages

Fonds d'indemnisation en assurance de personnes

Fonds du régime tripartite d'assurance revenu brut à l'égard des récoltes

Trust funds

Fonds national de la formation de la main-d'oeuvre

Hydro-Québec - Pension fund

Régie des rentes du Québec

CHAPTER 8

CAPITAL INVESTMENTS FORECAST IN 2000-2001

CHAPTER 8

CAPITAL INVESTMENTS FORECAST IN 2000-2001

This chapter presents overall figures on the government's capital investments forecast for 2000-2001. These investments include those of the health and social services, education and municipalities networks, whose debt service is subsidized by the government. Departments, budgetary agencies and consolidated entities are also considered. The capital investments of government corporations are not reported on in this chapter.

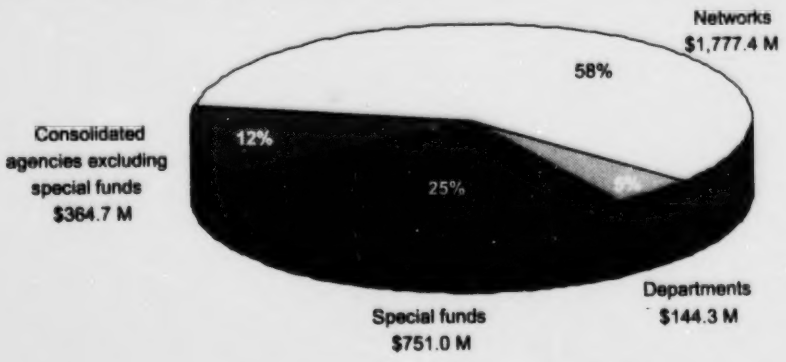
1. TOTAL CAPITAL INVESTMENTS FORECAST FOR 2000-2001

Total capital investments amount to $3,037.4 million in 2000-2001. The investments are broken down as follows:

- The networks account for the largest share of capital investments with $1,777.4 million, or 58% of the total.
- Special funds represent 25% of the total, with $751.0 million.
- The forecast capital investments of other consolidated agencies stand at $364.7 million, or 12% of the total.
- The share of government departments is 5%, with $144.3 million in investments.

We should point out that the capital investments of consolidated agencies include those of government corporations in the cultural field and the Agence métropolitaine de transport.

Chart 8.1: Breakdown of capital investments in 2000-2001: $3,037.4 million



The data in Table 8.1 illustrate a global increase of $40.3 million in capital investments in 2000-2001 compared with 1999-2000. Capital investments in the network fell by $127.1 million, while investments of consolidated agencies, departments and special funds declined by $138.2 million and $29.2 respectively.

We should point out that the 2000-2001 forecast investments in the networks do not include the new initiatives to be approved later in the fiscal year by the Conseil du trésor. Nonetheless, they take into account the measures pertaining to the health and social services, culture and transport sectors announced in the 2000-2001 Budget Speech.

Table 8.1: Capital Investments in 1999-2000 and 2000-2001

	2000-2001 Capital Investment Forecasts	1999-2000 Probable Outlays	Change
	$M	$M	$M
Capital investments in the networks	1,777.4	1,904.5	(127.1)
Consolidated agencies, excluding special funds	364.7	226.5	138.2
Departments and special funds	895.3	866.1	29.2
TOTAL	3,037.4	2,997.1	40.3

2. CAPITAL INVESTMENTS IN THE NETWORKS

Capital investments in the networks serve to acquire and maintain the equipment and infrastructure of the school boards, CEGEPs, universities and health and social services institutions, as well as for sewage treatment, public transit and cultural facilities projects.

Every year, the Conseil du trésor approves the capital plans of various sectors. These plans indicate the investment expenditures linked to the completion of previously authorized projects, requirements to maintain existing assets and spending for new initiatives.

These investments are financed by long-term loans contracted by the subsidized agencies. The government's contribution is spread over a term of up to 25 years and takes the form of total or partial assumption of the debt service. Thus, the expenditure recorded in the *Estimates* under the "Transfer" supercategory consists of subsidies paid to agencies for repayment of borrowed capital and payment of interest on the subsidized debt.

General trend and partners' share

Table 8.2 shows the overall variation in capital investment in the networks for fiscal 1999-2000 and 2000-2001. Investments decreased from $1,904.5 million in 1999-2000 to $1,777.4 million in 2000-2001. The partners' share amounts to 12.9% of investments in 2000-2001, at $228.7 million.

Table 8.2: General trend of capital investments in the networks and partners' share

	2000-2001	1999-2000
	$M	**$M**
Government share	1,548.7	1,585.9
Partners' share	228.7	318.6
TOTAL	1,777.4	1,904.5
Partners' share in %	12.9	16.7

Breakdown by sector

Chart 8.2 shows the breakdown of capital investments by sector for fiscal 2000-2001. Three major sectors are considered:

- The health and social services network
- The education network, including school boards, colleges and universities
- The municipal network, which encompasses sewage treatment, public transit, cultural facilities and heritage

In 2000-2001, the health and social services sector accounted for 46% of total investments, with $811.0 million, the education sector amounted to 35% with $623.8 million, followed by the municipal sector at 19%, with $342.6 million. Sewage treatment, public transit, cultural facilities and heritage, comprising the municipal sector, totalled 7%, 6% and 6% respectively of forecast capital investments in the networks.

Chart 8.2: Breakdown by sector of capital investments in the networks in 2000-2001: $1,777.4 million

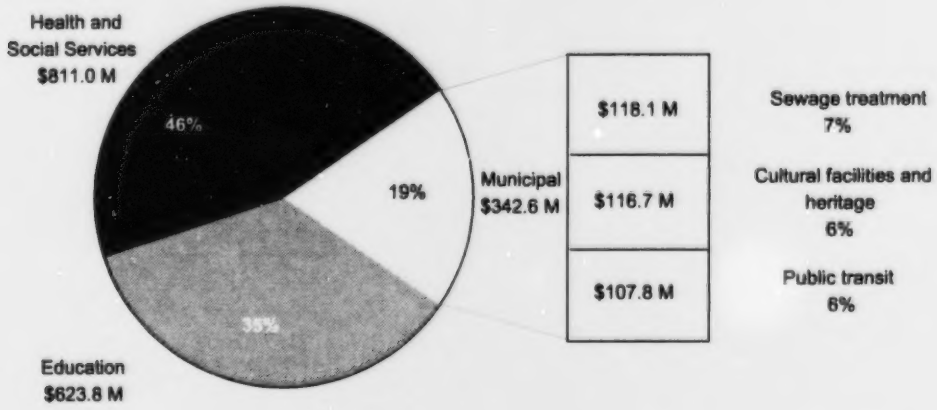


Table 8.3 shows the capital investments forecast in the networks for 2000-2001 and probable outlays for 1999-2000. The amounts indicated in this table include the shares of the government and the partners.

Table 8.3: Capital investments in the networks

	2000-2001 Capital Investment Forecasts $M	1999-2000 Probable Outlays $M	Change $M
EDUCATION			
- School boards	363.1	397.9	(34.8)
- CEGEPs and universities	260.7	540.9	(280.2)
	623.8	938.8	(315.0)
HEALTH AND SOCIAL SERVICES	811.0	623.4	187.6
MUNICIPAL			
- Sewage treatment	118.1	201.8	(83.7)
- Public transit[1]	107.8	82.6	25.2
- Cultural facilities and heritage[2]	116.7	57.9	58.8
	342.6	342.3	0.3
TOTAL	1,777.4	1,904.5	(127.1)

1 The amounts shown exclude public transit projects in Greater Montréal, under the responsibility of the Agence métropolitaine de transport, which is a consolidated entity.

2 Amounts shown exclude cultural projects of government corporations, which are considered consolidated entities.

Education

In the education sector, investments by school boards, CEGEPs or universities are mainly for expansion, renovation, repair and construction of schools and teaching wings, and acquisition of furnishings, equipment and apparatus needed for the operation of buildings. The government covers about 91% of the cost of the projects.

In 2000-2001, investments in this sector are forecast at $623.8 million: $363.1 million in school boards and $260.7 million in colleges and universities. The forecasts therefore point to a $315.0-million decrease compared with 1999-2000, broken down as follows: $280.2 million in the college and university sector and $34.8 million in school boards.

The forecast decrease in investments in CEGEPs and universities is explained as follows:

- Of the $540.9 million in spending forecast in 1999-2000, $115.0 million originates from partners' contributions. These contributions will total only $45.0 million in 2000-2001 because the budget reserved for Canadian Foundation for Innovation projects decreased in 2000-2001.

- The amounts posted to completed projects are also lower, $37.0 million in 2000-2001 compared with $146.0 million in 1999-2000, given that many projects were completed in 1999-2000.

Health and social services

In the health and social services sector, capital investment projects cover construction, expansion, renovation and repair of hospitals, residential and extended care centres, rehabilitation centres and CLSCs, as well as the acquisition of furnishings, medical and non-medical equipment and the development and purchase of computer systems.

The initiatives authorized in 1999-2000 focused on information resources, upgrading of medical equipment and high technology, Y2K readiness, programming of outpatient services, the Canadian Foundation for Innovation projects and registration of the integrated information system on transfusion and hemovigilance activities (SIIATH). The government covers an average of between 85% and 90% of the cost of the projects.

The increase in investments in this sector from $623.4 million in 1999-2000 to $811.0 million in 2000-2001 is explained by the initiatives authorized during fiscal 1999-2000, the completion of activities and $200.0 million for medical equipment and high technology announced in the 2000-2001 Budget Speech.

Sewage treatment

Capital investment projects in the sewage treatment sector include the construction of sewage treatment plants, work on sewage interceptors and rehabilitation of the sewer system leading to these plants, as well as waterworks and sewer projects, including the program: "Les eaux vives du Québec," which is intended to allow municipalities to carry out work to install, replace or improve infrastructures for drinking water and sewage. The government covers about 82% of the capital cost of these investments, which are shared with the municipalities.

According to the forecasts, investments will amount to $118.1 million in 2000-2001, $83.7 million less than in 1999-2000. This decline is explained by the fact that work carried out under the Québec Sewage Treatment Program (PAEQ) is nearing completion. In addition, a reduction was noted in the Municipal Water Program (PADEM). As part of the gradual decrease in investments in this sector, in 2001-2002 most of the investments will originate from the "Les eaux vives du Québec" program.

Public transit

Capital investments in this sector serve to purchase city buses, maintain subway infrastructure, specifically restoration of stations and replacement of escalators, finance electronic fare-collection equipment and build reserved bus lanes and parking areas.

For 2000-2001, the investments forecast in this sector correspond to $107.8 million, up from $82.6 million in 1999-2000, for an increase of $25.2 million. The average government share in this investment is 67% in 2000-2001, though it may range from 50% to 100%, depending on the type of equipment. These forecasts do not include the investments by the Agence métropolitaine de transport discussed in the following section, which deals with consolidated agencies.

Cultural facilities and heritage

The capital projects subsidized through debt service by the ministère de la Culture et des Communications include construction, expansion and renovation of public libraries, performance halls, archive centres, museums and interpretation centres, along with restoration and conservation of religious heritage sites. The government share of the cost of capital investments by municipalities or other partners ranges from 40% to 90%.

Investment expenditures forecast in 2000-2001 are estimated at $116.7 million, versus $57.9 million in 1999-2000. The $58.8-million increase in spending is mainly linked to the acceleration of investments in the restoration of religious heritage sites and the measures announced in the 2000-2001 Budget Speech, in which the forecast outlay for 2000-2001 is $32.5 million. These forecasts do not include government corporation investments by the ministère de la Culture et des Communications discussed in the following section, which deals with consolidated agencies.

3. CAPITAL INVESTMENTS OF CONSOLIDATED AGENCIES, OTHER THAN SPECIAL FUNDS

The capital investments of consolidated agencies, excluding special funds, total $364.7 million in 2000-2001, compared with $226.5 million in 1999-2000, for an increase of $138.2 million. The agencies making the largest investments in 2000-2001 are Société immobilière du Québec at $181.7 million and the Agence métropolitaine de transport at $100.5 million.

In addition to funds earmarked for building improvement work, the capital investments of the Société immobilière du Québec (SIQ) include the renovation of the Trois-Rivières courthouse, major repairs to the Bordeaux Jail, and construction of a Sûreté du Québec building in Rouyn. The $44.8-million increase in the SIQ's capital investments in 2000-2001 is mainly due to the start of work on the expansion of the Palais des congrès de Montréal.

The $74-million increase in forecast investments by the Agence métropolitaine de transport stems largely from subway extension projects: Line 2 to Laval and Line 5 to Pie-IX. Other projects influencing the level of capital investments of the Agence in 2000-2001 include repairs to locomotives for the Montréal/Rigaud suburban train and to parking lots, and construction of reserved bus lanes.

Moreover, the investment level of $82.5 million in 2000-2001 and the increase of $19.4 million associated with other consolidated agencies is mainly attributable to the Grande bibliothèque project, for which forecast investments in 2000-2001 amount to $25.7 million.

Table 8.4: Capital investments of consolidated agencies, other than special funds

	2000-2001 Investment Forecasts	1999-2000 Probable Outlays	Change
	$M	$M	$M
Société immobilière du Québec	181.7	136.9	44.8
Agence métropolitaine de transport	100.5	26.5	74.0
Other agencies	82.5	63.1	19.4
TOTAL	364.7	226.5	138.2

4. CAPITAL INVESTMENTS FOR DEPARTMENTS AND SPECIAL FUNDS

Capital investments for departments and special funds amount to $895.3 million in 2000-2001, up from $866.1 million in 1999-2000. Investments for departments, which increased by $46.3 million, mainly account for the overall increase of $29.2 million. Capital investments for special funds dropped to $751.0 million in 2000-2001, compared with $768.1 million in 1999-2000, i.e. a decline of $17.1 million.

Investments for special funds mainly originate from the Road Network Preservation and Improvement Fund. Investments for this fund are channelled into preservation of roads and structures and improving and developing the highway network. In 2000-2001, with $516.3 million in investments, the fund rose $12.5 million compared with 1999-2000. This amount includes $9.1 million announced in the 2000-2001 Budget Speech for work in the Gaspésie-Îles-de-la-Madeleine region

With respect to the Information Technology Fund, forecast investments in 2000-2001 stand at $90.1 million, down from $105.3 million in 1999-2000. The $15.2-million decrease is mainly linked to the closing of the information technology fund of the ministère des Finances, whose capital investments are now posted in the department's investment budget.

Investments of the other special funds were reduced from $159.0 million in 1999-2000 to $144.6 million in 2000-2001. The four following special funds account for 85% of the investments in 2000-2001:

— The Fonds des services gouvernementaux has 2000-2001 investments of $57.3 million, $44.5 million of which is for the GIRES project.

— The investment forecast of the Rolling Stock Management Fund, which manages the rolling stock of the ministère des Transports, is $23.6 million.

— The Québec Cadaster Reform Fund has forecast investments of $21.4 million.

— The Register Fund, at $21.1 million, foresees major investments in 2000-2001, notably for updating the land register.

In addition, departments' capital investments should reach $144.3 million in 2000-2001, versus $98.0 million in 1999-2000. The $46.3-million increase is mainly explained by investments of the following departments:

— The ministère des Transports has a $20.1-million increase mostly for the construction of a highway link to the Cree community of Waskaganish at a cost of $9.6 million, plus a $9.3-million increase in investments for information system development.

— The ministère des Ressources naturelles was granted a $15.8-million increase for further investments in information system development.

Table 8.5: Capital investments of special funds and departments

	2000-2001 Capital Investment Forecasts	1999-2000 Probable Outlays	Change
	$M	$M	$M
Road Network Preservation and Improvement Fund	516.3	503.8	12.5
Information Technology Funds	90.1	105.3	(15.2)
Other special funds	144.6	159.0	(14.4)
	751.0	768.1	(17.1)
Departments: appropriations for capital investments	144.3	98.0	46.3
TOTAL	895.3	866.1	29.2

CHAPTER 9

MODERNIZATION OF GOVERNMENT MANAGEMENT

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MODERNIZATION OF GOVERNMENT MANAGEMENT

This chapter gives an overview of the project to modernize government management. It presents the major features of Bill 82 on public administration, as well as the main forthcoming changes to management and accountability reporting. Lastly, it presents the major steps in implementing the reform.

Most of the current management framework of the government apparatus was designed some 30 years ago. The project to modernize government management is justified by the deep changes in Québec society and its economy. The population's new demands regarding the quality of public services for which they pay, the opening of markets to international trade which increasingly places the government apparatus in competition, and the possibilities for public service delivery generated by information technologies highlight the need for a civil service that is more efficient and more attentive to the needs of citizens and businesses. While maintaining the existing principles of integrity, loyalty and impartiality, the time is ripe to align public administration with the need to assess services, improve service quality and attain results.

A policy paper on government management titled *Improving Services for Quebecers* was made public by the President of the Conseil du trésor and the Minister of State for Administration and the Public Service in June 1999. A vast consultation within the public service and before a parliamentary committee was completed in September 1999. Every department and agency, as well as some 10,000 government employees, took the opportunity to express their views; 23 briefs were submitted by various groups and individuals concerned with the management of the public apparatus. In November, the Minister of State for Administration and the Public Service and the President of the Conseil du trésor tabled Bill 82, the Public Administration Act, before the National Assembly. At the time the *2000-2001 Estimates* were tabled, Bill 82 was in the process of being examined by a parliamentary committee.

Two other bills were tabled by the Minister of Finance: Bill 92 respecting the ministère des Finances,[1] which is designed to complete the reform of government accountability, and Bill 94 respecting financial administration, which is intended to modernize the financial management framework by aligning it with the general management framework laid out in Bill 82.

Aside from the legislative work guiding the management framework, other related projects (easing of regulations, information highway and GIRES) were started in order to create the conditions needed for modernizing public administration.

[1] Approved on December 16, 1999 (Q.L. 1999, c. 77).

1. GUIDING PRINCIPLES OF BILL 82: PUBLIC ADMINISTRATION ACT

Bill 82 affirms the priority the government administration should give to the quality of public services and, to this end, establishes a new, results-oriented management framework. The various provisions of the Bill aim to make the government administration more transparent and promote the accountability of the public administration to the National Assembly.

The proposed management framework is based on the following principles:

- Consideration, by public servants, departments and agencies, of public expectations when selecting management approaches based on the resources available and their optimal use;
- Focus on results-oriented management practices in accordance with the stated objectives, rather than management based on compliance with rules and procedures;
- Empowerment of departments and agencies, and their personnel at all levels, by giving them greater management latitude and acknowledging the role of deputy ministers and agency directors in exercising controls;
- Increased transparency by extending this principle not only to the rules of probity but also to performance by implementing accountability reporting processes based on results that can be tracked using indicators;
- Access, via the National Assembly, to improved and pertinent information concerning public administration activities.

The following text presents the situation that would prevail if the National Assembly were to pass legislation similar in substance to Bill 82. This description makes no presumption as to decisions that could result from the parliamentary process in progress.

2. MAJOR FEATURES OF BILL 82

The Bill confers new responsibilities on the public service. Accordingly, departments and agencies that deliver services to the public will be required to present a statement on the level and quality of these services. Each department and agency will also have to publish a strategic action plan covering a period of several years. Finally, each department and agency will have to report on its results by way of an annual management report.

The Bill also provides for the possibility of a performance and accountability agreement between a department and the director of an administrative unit. Lastly, this project overhauls the rules of human, budgetary, material and information resources management that apply to the public administration with a view to achieving greater flexibility.

Statement on public services

Departments and agencies that deliver services directly to the public and businesses will issue a public statement on their stated objectives regarding service level and quality. The statement could, for example, focus on the diligence with which the services should be provided.

To do this, departments and agencies will first be required to gauge client expectations and streamline as much as possible the rules and procedures governing the delivery of services. Where appropriate, they will raise users' awareness of service costs.

Strategic plan

Each department and agency will publish a strategic plan, which will minimally include

- A description of its mission;
- The context in which it operates and the major challenges it faces;
- The strategic orientations, objectives and lines of actions retained;
- The results targeted at the end of the period covered by the plan;
- The performance indicators used to measure the achievement of results.

The minister responsible will table this strategic plan before the National Assembly.

In addition, the annual expenditure management plan prepared by each minister will outline the resource allocation choices made and the actions planned with a view to attaining the objectives stated in the strategic plan for the fiscal year in question.

Annual management report

An annual management report will replace the annual report issued by departments and agencies. The management report will also be made public and tabled before the National Assembly by the minister responsible. It will present the results achieve in relation to the objectives stated in the strategic plan and include a statement from the deputy minister or director of an agency attesting to the means used to ensure reliable data and quality management.

Performance and accountability agreement

For each administrative unit in a department or agency, the Bill provides the possibility to adopt a more flexible management framework better suited to its situation, in return for accountability reporting with respect to the unit's stated objectives. Accordingly, a minister and the director of an administrative unit could conclude a performance and accountability agreement which would include the unit's action plan, objectives and results indicators, and the director's commitment to produce a report.

The performance and accountability agreement could also include an agreement between the minister and the Conseil du trésor to enable, wherever justified, the delegation of certain controls or an exemption from certain administrative directives. The agreement and the unit's management reports will be public documents, which the minister will table before the National Assembly.

Accountability to the National Assembly

The Bill reinforces the principle of the accountability of deputy ministers and agency directors which is already set out in the Act respecting the Accountability of Deputy Ministers and Chief Executive Officers of Public Bodies. In the future, the relevant National Assembly committee will be able to discuss the new features contained in the Bill, namely the

- Statement on services to citizens;
- Results obtained with respect to the administrative elements of the strategic plan, made public in the annual management report.

Resource management

Regarding the management of human, budgetary and contractual resources, a complete examination of existing provisions has been made with a view to achieving greater flexibility and fostering *a posteriori* control methods.

The Bill also includes new provisions governing information resources. It stipulates that management of these resources should help streamline public services and make them more accessible, and should promote concerted action between departments and agencies, as well as the pooling of their expertise and resources. Moreover, the Conseil du trésor could also set rules ensuring the security of computer resources, including the protection of personal information.

Examples of administrative streamlining measures resulting from Bill 82

Human resources

Possibility of promotion programs without competition as part of training programs.

Possibility of delegating the evaluation of skills of candidates for a promotion without competition.

Prior certification of evaluation methods to prevent situations leading to appeals during a promotion competition.

Shortening the appeal period for a promotion competition.

Budgetary resources

Possibility of appropriating estimates for more than one year.

Possibility, where applicable, of carrying over a portion of some appropriations to the following year.

Possibility of allocating net estimates in some cases, taking into account forecast revenues chargeable to an activity.

Possibility of redirecting part of certain appropriations to other programs in the same department.

Possibility for departments and agencies to exchange appropriations for services.

Material resources

Possibility of providing certain special regulatory provisions to a department or administrative unit for the granting of contracts.

Deregulation of registration provisions and operating methods of the suppliers' file as this information becomes available on notices of registration.

General exemption of government corporations from government contract regulations, while maintaining the obligation to make contract policies public.

3. FORTHCOMING CHANGES IN MANAGEMENT AND ACCOUNTABILITY REPORTING

The Bill marks a deep cultural change within the government administration. Departments and agencies will have greater latitude in managing the resources for which they are accountable. In return, they will have to exhibit management control and strengthen their internal auditing, program evaluation and risk management functions. Central agencies and, more specifically, the Conseil du trésor will see their roles transformed, with greater emphasis put on supporting and advising departments and agencies and limiting their action to major challenges.

In regard to the government's expenditure budget, the Bill will enable better alignment between resources and results. To this end, the expenditure management plan will integrate into results-oriented management mechanisms, namely the strategic plan, the annual management report and accountability reporting to the National Assembly. The current content of the *Department Expenditure Management Plans*, which comprise Volume III of the *Expenditure Budget*, will be adjusted accordingly.

Some administrative budget streamlining could affect the presentation of appropriation bills and the *Estimates* — Volume I of the *Expenditure Budget* — as well as the *Public Accounts*. Accordingly, some estimates could be appropriated for more than one year. Moreover, the vote could make provisions for carrying over a proportion of certain estimates to another year. It could also provide for transfers between programs or departments. Lastly, some appropriations could be appropriated on a net basis.

Another major change concerns greater management transparency. Departments and central agencies alike will have to make public their stated objectives and the results obtained with respect to these objectives. When providing services directly to the public, departments and agencies will be required to publicly present their objectives regarding the quality and level of services. Lastly, the President of the Conseil du trésor will report on the application of the Public Administration Act to the National Assembly every year.

4. IMPLEMENTATION OF THE REFORM

The parliamentary work surrounding Bill 82 is not yet complete. Provided it continues to progress at the same rate, the government expects to give force to the Act as soon as possible after its passage by the National Assembly.

When it becomes law, government departments and agencies will make the changes necessary and assume their new responsibilities. Performance and accountability agreements will then be entered into. Departments and agencies that deliver services directly to the public will take the steps needed to gauge the citizens' expectations in order to issue their initial statement of services to citizens.

The provisions concerning strategic planning and the annual management report will normally apply as of the next fiscal year, namely 2001-2002. The *2001-2002 Department Expenditure Management Plans* will reflect the changes required under the Public Administration Act.

The streamlining of resource management will apply as soon as the law comes into effect, except in some special cases. For instance, some streamlining measures as regards human resources will first require amendments to the regulation on competitions; this should be done during 2000-2001. Furthermore, certain provisions concerning budgetary resources depend on appropriation bills. New expenditure management provisions, such as credit on a net basis or the possibility of carrying appropriations over, could also be found in the *2001-2002 Estimates*.

CHAPTER 10

STAFF LEVEL AS SHOWN IN THE ESTIMATES

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STAFF LEVEL AS SHOWN IN THE ESTIMATES

This chapter describes the changes in full-time and casual employees of departments and agencies appearing in the *Estimates*. It positions the department and agency employees in the public and parapublic sectors and describes staffing changes in recent years, focusing on those changes that occurred during fiscal 1999-2000 and those forecast for 2000-2001.

Employees are counted on the basis of full-time equivalent (FTE) positions calculated for each budget year. The FTE is a measurement that expresses work performance in terms of a full-time employee.

The staff level of each department and agency appearing in the *2000-2001 Estimates* represents the authorized staff level for fiscal 1999-2000 and 2000-2001. The authorized staff level is the number of FTEs used by a department or agency.

The staff level of departments and agencies shown in the *2000-2001 Estimates* does not include students and interns. Information on the latter is nevertheless presented in this chapter.

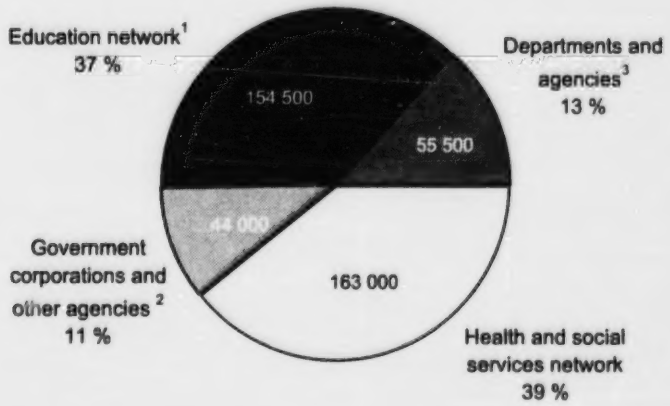
1. BREAKDOWN OF STAFF LEVEL IN THE PUBLIC AND PARAPUBLIC SECTORS

Total employment in the public and parapublic sectors stands at 417,000 FTEs in 1999-2000. Staff level of departments and agencies presented in the *Estimates* is nearly 55,500, or 13% of all FTEs. Chart 10.1 presents a breakdown of employees among the different sectors of the public and parapublic administration.

The estimated staff level in the health and social services network counts for 39% of staffing in all sectors, while education accounts for 37%. The combined staff level for both networks amounts to almost 318,000 FTEs, or 76% of total employment in all sectors. Staffing of government corporations and other agencies is nearly 44,000 FTEs, or 11% of the total of all sectors.

It should be noted that only a portion of the workforce in the public and parapublic sectors is subject to the Public Service Act. The number of FTEs subject to this Act is 62,000 in 1999-2000. The FTEs covered by the Act are found mainly in departments and agencies (i.e. nearly 51,000 FTEs), but also in government corporations and other agencies (i.e. over 11,000 FTEs). Appendix A presents the related breakdown and compares employees covered by the Act with those not covered for both sectors.

Chart 10.1: Breakdown of FTEs in the public and parapublic sectors in 1999-2000



1 Including school boards, CEGEPs and universities.

2 Including government corporations, agencies performing fiduciary activities, and consolidated agencies.

3 Utilized staff level in departments and agencies stands at 55,491 FTEs in 1999-2000. This forecast includes special funds and the GST administration account, but does not include students and interns.

2. TEN-YEAR RECORD OF GOVERNMENT STAFF LEVEL

The staff level of departments and agencies decreased during the 1990s. Staffing dropped from 62,683 FTEs in 1989-1990 to 55,491 FTEs in 1999-2000, a net decline of 7,192 FTEs or over 11%. This decrease is nonetheless marked by staffing additions in certain budget years to carry out new mandates.

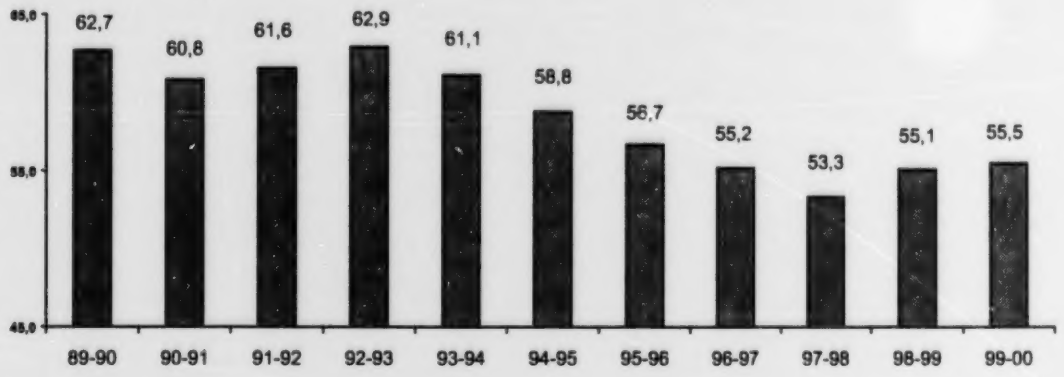
For example, staffing additions were approved in 1991-1992 and 1992-1993 for the implementation of the Canada-Québec agreement on the government action plan for welcoming and integrating immigrants, and the ministère du Revenue's launching of the QST and takeover of GST administration.

Department and agency staff levels declined an average of 3.3% per year from fiscal 1993-1994 to fiscal 1997-1998, for a total of 9,600 FTEs. Staffing additions were approved in the next two budget years.

The staffing increase in 1998-1999 resulted mainly from the addition of 1,084 authorized FTEs following the Canada-Québec agreement on manpower training and the addition of 262 FTEs in the ministère du Revenu for implementing tax recovery measures. The rise in 1999-2000 is explained by such factors as an increase of 118 FTEs authorized for the Register Fund under the ministère de la Justice et de la Condition féminine, and the addition of 208 FTEs for tax recovery measures.

Appendix B presents a table tracking staff level changes for the past ten years. Chart 10.2 illustrates the changes in department and agency staffing since 1989-1990 based on the data presented in this table.

Chart 10.2: Changes in department and agency staff levels (thousands of FTEs)[1]



[1] Data are adjusted for comparison with fiscal 2000-2001.

3. FORECAST STAFF LEVEL IN 1999-2000

The staff level shown in the *1999-2000 Estimates* was adjusted to present the data on the same basis as those in the *2000-2001 Estimates*. It stands at 55,836 FTEs after the following portfolio adjustments.

— Relations avec les citoyens et Immigration: increase of 403 FTEs due to the conversion of the Curateur public into a budgetary agency

— Faune et Parcs: decrease of 90 FTEs resulting from the transfer of responsibility for activities and service delivery in Québec parks to the Société des établissements de plein air du Québec (SEPAQ)

— Ressources naturelles: reduction of 77 FTEs owing to the complete transfer of the Centre de recherche minérale (CRM) from the department to the Mineral Exploration Consortium (COREM)

— Santé et Services sociaux: decrease of 9 FTEs attributable to the transfer of responsibilities from the department to the Institut national de santé publique du Québec

Table 10.1: Adjustments to establish forecast staff level in 1999-2000 (FTEs)

1999-2000 STAFF LEVEL IN THE *1999-2000 ESTIMATES*		56,219
MINUS: students and interns included in the forecast staff level		610
		55,609
Adjustments:		
– Relations avec les citoyens et Immigration: conversion of the Curateur public into a budgetary agency	403	
– Faune et Parcs: transfer of responsibility to the Société des établissements de plein air du Québec (SEPAQ)	(90)	
– Ressources naturelles: transfer of responsibilities to the Mineral Exploration Consortium (COREM)	(77)	
– Santé et Services sociaux: transfer of responsibilities to the Institut national de santé publique du Québec	(9)	227
ADJUSTED 1999-2000 STAFF LEVEL		55,836

Staffing adjustments made in certain departments and agencies during the fiscal year lead to an overall increase of 310 FTEs. These adjustments bring to 56,146 FTEs the comparative staff level for 1999-2000 appearing in the *2000-2001 Estimates*.

The main additions are described below.

— Sécurité publique: 111 FTEs, including 60 FTEs to reinforce public security as regards planning and public support and assistance services and 50 FTEs to integrate staff from abolished municipal forces

— Recherche, Science et Technologie: 80 FTEs, including 78 FTEs following the department's creation

— Conseil du Trésor, Administration et Fonction publique: 61 FTEs due to various adjustments, including the addition of 75 FTEs to the GIRES project

— Finances: Increase of 92 FTEs, including 86 FTEs assigned to new responsibilities entrusted to the department.

Table 10.2 summarizes the changes made to the initial forecast staff level for 1999-2000 for purposes of comparison with the *2000-2001 Estimates*. A breakdown by department is presented in Appendix A.

Table 10.2: 1999-2000 comparative staff level (FTEs)

1999-2000 ADJUSTED STAFF LEVEL		55,836
Adjustments during the fiscal year:		
Sécurité publique: reinforcement of public security and integration of staff from abolished municipal forces	111	
Recherche, Science et Technologie: start-up of the department	80	
Conseil du Trésor, Administration et Fonction publique: GIRES project	61	
Finances: new responsibilities	92	
Various departments	(34)	310
1999-2000 COMPARATIVE STAFF LEVEL IN THE *2000-2001 ESTIMATES*		56,146

4. FORECAST STAFF LEVEL IN 2000-2001

The total staff level for 2000-2001 in the *2000-2001 Estimates* remains relatively stable, with an increase of 27 FTEs with respect to the 1999-2000 comparative staff level. The main changes anticipated are described below.

— Relations avec les citoyens et Immigration: increase of 90 FTEs resulting from the addition of 110 FTEs at the Curateur public to improve file processing and records management

— Régions: addition of 17 FTEs owing to administrative improvements

— Various departments: decrease of 80 FTEs mainly due to downsizing measures

Table 10.3 summarizes the main changes in forecast staff level between the 1999-2000 and 2000-2001 budget years. Appendix C presents a breakdown by department.

Table 10.3: Forecast staff level in 2000-2001 (FTEs)

1999-2000 COMPARATIVE STAFF LEVEL		56,146
Adjustments forecast for fiscal 2000-2001		
– Relations avec les citoyens et Immigration: Curateur public	90	
– Régions	17	
– Various departments	(80)	27
FORECAST STAFF LEVEL IN 2000-2001 IN THE *2000-2001 ESTIMATES*		56,173

5. RECRUITMENT AND REJUVENATION OF THE PUBLIC SERVICE

During fiscal 1999-2000, the resumption of hiring initiatives was marked by the organization of a large number of public recruitment competitions. In fact, 322 such competitions were published between April 1, 1999 and March 3, 2000. Of these, more than half required minimum eligibility requirements. It should also be noted that several of last year's recruitment initiatives were reserved for college and university graduates. Accordingly, over 55% of those hired in 1999-2000 were under the age of 35.

6. STUDENTS AND INTERNS

Students and interns are not included in the staff levels presented in the *2000-2001 Estimates*. However, departments and agencies continue to take on an increasing number. This trend is related to the government's desire to hire more students and to the introduction of an internship program for new graduates in 1998-1999.

The number of students and interns in the public service has nearly doubled since 1997-1998. From 711 FTEs in 1997-1998, this number attained 1,406 in 1999-2000, including 316 FTEs in new-graduate internships, 254 FTEs in student internships and 836 students hired for the summer.

In the last Budget Speech, an additional budget of $5.8 million was allocated for the creation of summer jobs and internships in the public service in 2000-2001. Of this amount, $1.3 million will be used to increase the representation of allophones, anglophones and Natives.

The government is emphasizing the hiring of students and interns in the public service in order to allow them to gain quality work experience. In 2000-2001, it is expected that the number of students and interns should be over 1,775 FTEs, thus enabling over 5,500 young people to gain experience in the public service.

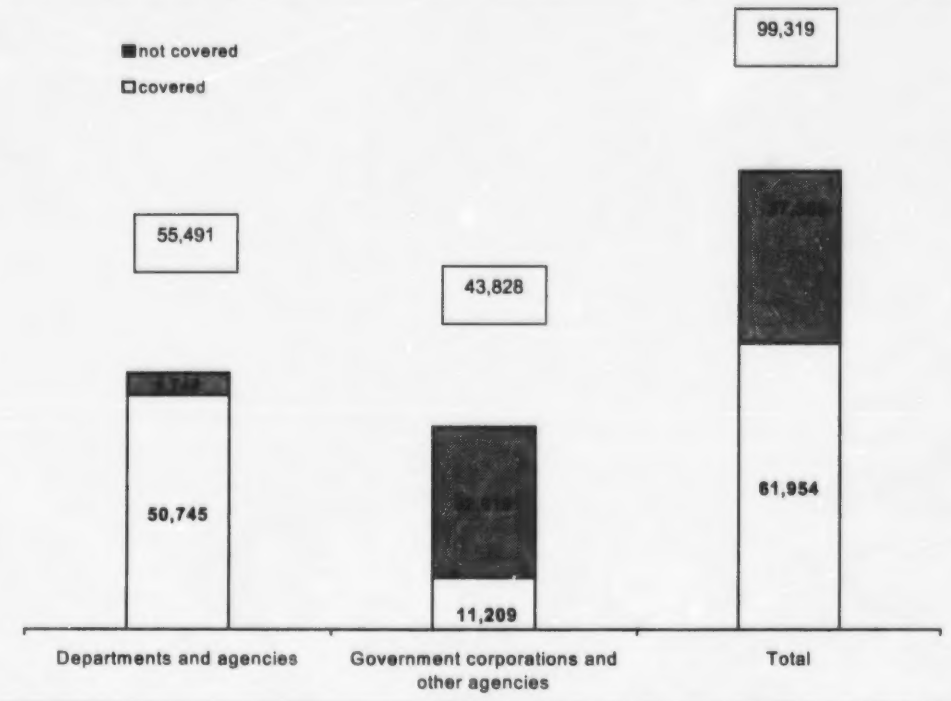
APPENDIX A

Employees covered by the Public Service Act

Only a portion of the workforce in the public and parapublic sectors are subject to the Public Service Act. A total of 61,954 full-time and casual FTEs were subject to the Act in 1999-2000. Of these, 50,745 FTEs work in departments and agencies and 11,209 FTEs in government corporations and other agencies.

The chart below illustrates this breakdown and compares employees covered by the Act with those not covered for both sectors. Of the 55,491 full-time and casual FTEs working in departments and agencies, 50,745 FTEs are subject to the Public Service Act. The 4,746 FTEs who are not covered by the Act include Sûreté du Québec police officers, judges and replacements for the Procureur général. As for government corporations and other agencies, 11,209 FTEs are subject to the Public Service Act and 32,619 are not.

Breakdown of employees subject to the Public Service Act in 1999-2000 (FTEs)



APPENDIX B

Change in staff level of departments and agencies presented in the *Estimates*

The staff level presented in the *Estimates* represents the staff level for the current budget year and the comparative staff level for the previous budget year.

The table below illustrates the changes in comparative staff level, adjusted for comparison with 2000-2001, for each budget year since 1989-1990.

Change in staff level[1] of departments and agencies presented in the *2000-2001 Estimates* (FTEs)

	Forecast staff level		Utilized staff level	
	FTEs	Change	FTEs[2]	Change
1989-1990	65,191	—	62,683	—
1990-1991	65,018	(173)	60,835	(1,848)
1991-1992	67,126	2,108	61,565	730
1992-1993	66,076	(1,050)	62,931	1,366
1993-1994	64,197	(1,879)	61,125	(1,806)
1994-1995	61,378	(2,819)	58,789	(2,336)
1995-1996	60,519	(859)	56,686	(2,103)
1996-1997	57,568	(2,951)	55,181	(1,505)
1997-1998	55,296	(2,272)	53,329	(1,852)
1998-1999	56,047	751	55,084	1,755
1999-2000[3]	56,146	99	55,491	407

1 Data adjusted for comparison with fiscal 2000-2001.

2 Data for 1989-1990, 1990-1991 and 1991-1992 are based on an estimate of the number of students and interns.

3 Staffing used in 1999-2000 is the probable staff level as at March 31, 2000.

APPENDIX C

Total staff level in 1999-2000 and 2000-2001 of departments and agencies appearing in the *2000-2001 Estimates* (FTEs) [1]

	1999-2000 Estimates[2]	Change	1999-2000 Comparative staff level	Change	*2000-2001 Estimates*
Assemblée nationale	481	(1)	480		480
Personnes désignées par l'Assemblée nationale	439	2	441		441
Affaires municipales et Métropole	761	(8)	753		753
Agriculture, Pêcheries et Alimentation	2,776	(1)	2,775		2,775
Conseil du trésor, Administration et Fonction publique	1,651	61	1,712	(4)	1,708
Conseil exécutif	394	(1)	393	(10)	383
Culture et Communications	751	3	754		754
Éducation	1,425	(6)	1,419	(30)	1,389
Emploi, Solidarité sociale	6,384	(1)	6,383		6,383
Environnement	1,810	(54)	1,756		1,756
Famille et Enfance	346		346		346
Faune et Parcs	988	64	1,052		1,052
Finances	997	92	1,089		1,089
Industrie et Commerce	786	(1)	785	(2)	783
Justice et Condition féminine	3,629	8	3,637	(10)	3,627
Recherche, Science et Technologie	78	80	158		158
Régions	152	1	153	17	170
Relations avec les citoyens et Immigration [3]	2,311	1	2,312	90	2,402
Relations internationales	841		841		841
Ressources naturelles	3,170	(7)	3,163		3,163
Revenu	8,334	(40)	8,294		8,294
Santé et Services sociaux	964	4	968		968
Sécurité publique	8,963	111	9,074	(24)	9,050
Tourisme	263		263		263
Transports	6,367	2	6,369		6,369
Travail	775	1	776		776
TOTAL	55,836	310	56,146	27	56,173

[1] Staff level includes the special funds and GST administration account.

[2] Staff level after adjustments (see Table 10.1).

[3] 1999-2000 staff level appearing in the *2000-2001 Estimates* do not take into account the upward adjustment of 403 FTEs.

CHAPTER 11
ANALYSIS OF EXPENDITURE INDICATORS

CHAPTER 6

ANALYSIS OF EXPENDITURE INDICATORS

This chapter analyzes the overall changes in government expenditures since the 1985-1986 fiscal year, i.e. over a 15-year period. It also positions Québec vis-à-vis other Canadian provinces and select OECD countries by comparing certain expenditure indicators.

The chapter includes three sections.

The first section presents the general changes in government expenditures and their main components between 1985-1986 and 2000-2001. This last year represents the 2000-2001 Expenditure Budget. For summary purposes, the years from 1985-1986 to 1999-2000 are subdivided into three five-year periods corresponding to specific phases in expenditure changes: 1985-1986 to 1989-1990, 1990-1991 to 1994-1995, and 1995-1996 to 1999-2000.[1]

— The second section covers the change in expenditures during the same periods by major areas of activity and compares their rates of change considered on an annual basis.

— The third section compares changes in Québec government expenditure levels with those of other provincial governments, with reference to the size and growth of program spending and debt service expenditures. This section also presents a comparison of the overall level of public and private spending in health and education in other Canadian provinces and in select OECD countries.

The comparative analysis of the changes in expenditure indicators emphasizes the quantitative description and graphic illustration of comparative figures for the periods presented. All of the expenditure in this chapter are calculated on a comparative basis. In other words, actual figures have been adjusted as needed. Hence, the expenditure indicators presented herein were calculated based on the adjusted data.

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[1] For the period between 1985-1986 and 1989-1990, the average rates of expenditure change, presented by expenditure sector, are calculated over a period of four years instead of five since comparable data for 1984-1985 are not available.

In all instances, the change rates are calculated on an annual basis and their averages constitute simple arithmetic averages.

The details of the data are found in appendix A presented at the end of the chapter.

1. OVERALL CHANGE IN EXPENDITURES SINCE 1985-1986

This section presents the changes in expenditures and their main components between 1985-1986 and 2000-2001, i.e. over a 15-year period.

Annual change in expenditures

Chart 11.1 presents the annual change in total expenditures and program spending between 1985-1986 and 2000-2001 in billions of dollars. By definition, total expenditures include both program and debt service expenditures. In terms of changes in program spending, the chart reveals

- Rapid, constant growth until 1992-1993;
- A levelling-off of spending from 1992-1993 to 1995-1996;
- A significant drop in absolute program spending in 1996-1997 and 1997-1998;
- Growth in overall spending starting in 1998-1999.

Chart 11.2, which presents annual changes in program spending as a percentage of GDP, indicates that this ratio continues to decrease significantly compared with previous years. In fact, this rate decreased from its fifteen-year high of 22.9% recorded in 1992-1993 to 18.9% in 1999-2000. This trend is expected to continue in 2000-2001 at a rate of 18.5% of GDP.

Chart 11.1: Change in expenditure from 1985-1986 to 2000-2001 ($ billions)

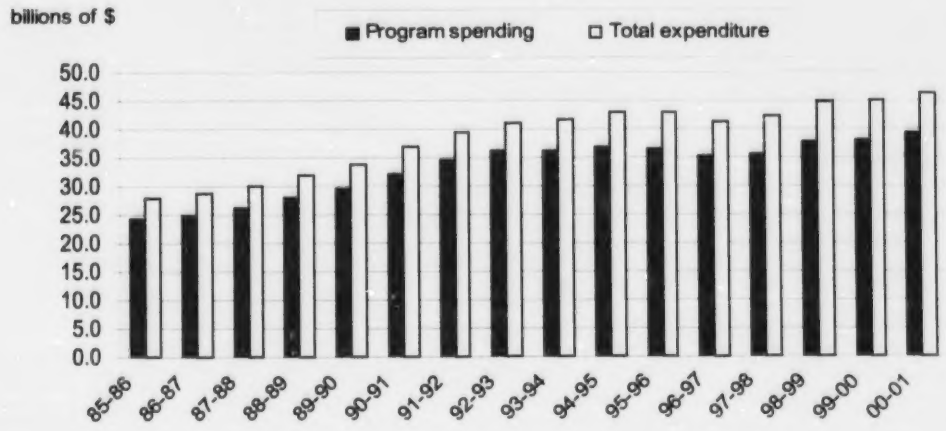
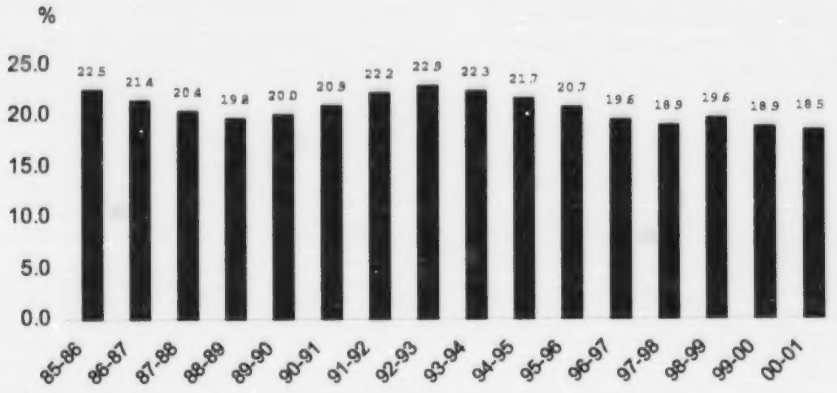


Chart 11.2: Change in expenditure from 1985-1986 to 2000-2001 (% of GDP)



Average change in expenditures

Chart 11.3 shows the average percentage change in total expenditures and program spending compared with the Consumer Price Index (CPI) for the three five-year periods retained (i.e. 1985-1986 to 1989-1990, 1990-1991 to 1994-1995 and 1995-1996 to 1999-2000) and the budget year 2000-2001. This chart reveals a number of trends.

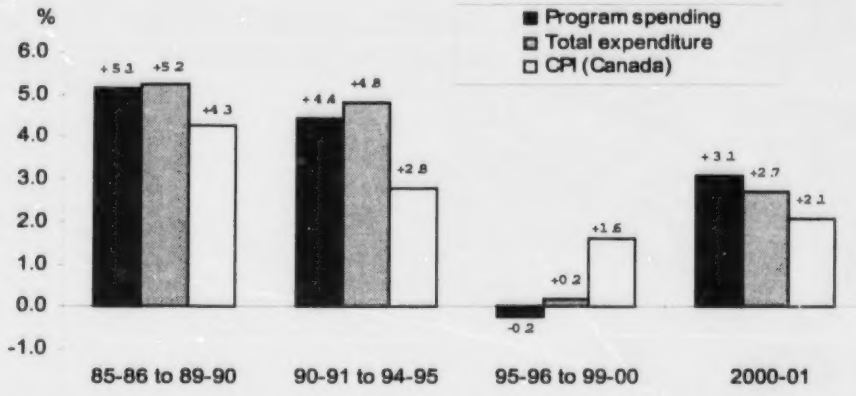
— During the period between 1995-1996 and 1999-2000, average overall program spending decreased by 0.2% due to a significant drop in spending in 1996-1997 and 1997-1998. Program spending had increased an average of 4.4% in the previous five years.

— For 2000-2001, a 3.1% increase in program spending is expected, compared with an average 0.2% reduction per year during the previous five years.

— Overall spending has increased by 0.2% during the past five years, compared with an average increase of 4.8% during the previous five years. In 2000-2001, total expenditures are expected to rise 2.7% over the previous year.

The Consumer Price Index (CPI) has decreased during the last ten years , going from an annual average of 4.3% between 1985 and 1989, to 2.8% between 1990 and 1994, and then to 1.6% between 1995 and 1999. The rate forecast for 2000 is 2.1%.

Chart 11.3: Average change in expenditures and CPI (annual %)



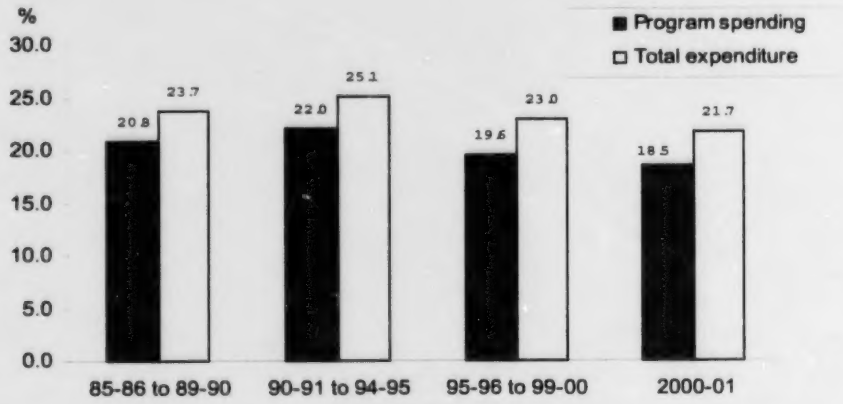
Change in expenditures as a percentage of GDP

The expenditure/GDP ratio is an indicator of the size of government spending in the economy. The change in this ratio since 1985-1986 is shown in Chart 11.4. This chart allows us to make certain observations.

— During the five-year period between 1995-1996 and 1999-2000, the level of program spending as a percentage of GDP dropped significantly compared with the previous five-year period. Program spending fell from 22.0% to 19.6%, while total expenditures declined from 25.1% to 23.0%.

— According to forecasts, this indicator will continue to drop in 2000-2001, reaching 18.5% for program spending and 21.7% for total expenditures.

Chart 11.4: Change in expenditures as a percentage of GDP since 1985-1986



Change in per capita program spending

Average per capita expenditure represents, to some extent, the volume of public services consumed. The trend of this indicator in constant dollars[2] and in current dollars is illustrated in Chart 11.5.

In terms of current dollars, the chart shows

— A significant increase in per capita program spending during the period from 1990-1991 to 1994-1995 compared with the period from 1985-1986 to 1989-1990

A stabilization of this spending during the period 1995-1996 to 1999-2000

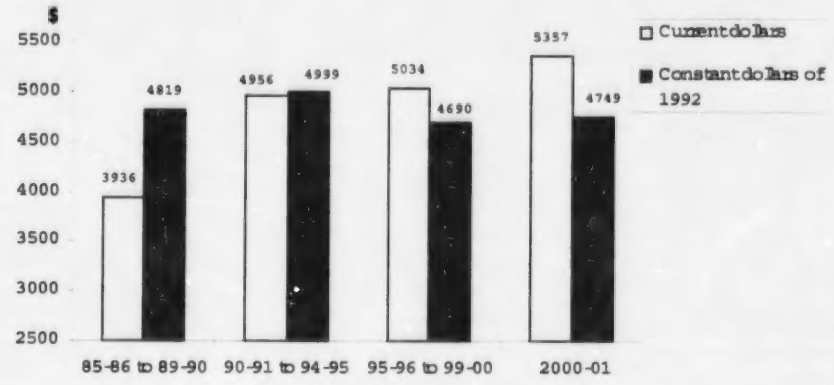
— Average per capita spending of $5,357 in current dollars in 2000-2001

In constant 1992 dollars, the chart reveals

— A significant reduction in per capita program spending during the period form 1995-1996 to 1999-2000, compared with the previous five-years period

— A stabilization of this indicator in 2000-2001

Chart 11.5: Change in per capita program spending ($)



2 Excludes the effect of inflation.

Change in debt service expenditures

Chart 11.6 illustrates the change in debt service expenditures since 1985-1986 in billions of dollars. In this respect, a number of points are worth noting.

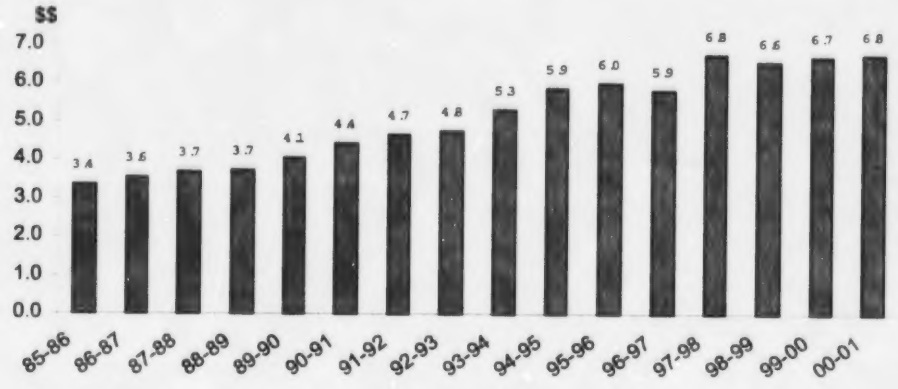
— Government debt service expenditures almost doubled during the period from 1985-1986 to 1999-2000, rising from $3.4 billion in 1985-1986 to $6.7 billion in 1999-2000.

— The debt service growth rate was lower during the past five years compared with the previous five years.

— For 2000-2001, debt service is expected to reach $6.8 billion, which will represent an increase of 0.4% over the previous year.

The continued growth of the debt service is due mainly to the increase in the Québec government's total debt load, including pension plans. The debt rose from $31.6 billion as at March 31, 1986 to $99.6 billion as at March 31, 1999, representing 51.5% of GDP or about $13,565 per capita.

Chart 11.6: Annual change in debt service expenditures since 1985-1986 ($ billions)



2. ANALYSIS OF PROGRAM SPENDING BY MAJOR SECTOR

For the purposes of this analysis, program spending has been divided into five major sectors, namely "Santé et Services sociaux," "Éducation," "Emploi, Solidarité sociale," and "Famille et Enfance," which includes program spending of the portfolios of the same name, and "Other portfolios" which includes expenditures of all other portfolios and programs.

Breakdown of total expenditures by major sector in 2000-2001

Chart 11.7 on next page illustrates the breakdown of total expenditures (program spending and debt service) forecast for 2000-2001 by major sector (as defined above), as well as the breakdown of program spending for 2000-2001 by major sector.

In terms of the breakdown of program spending, this chart reveals that

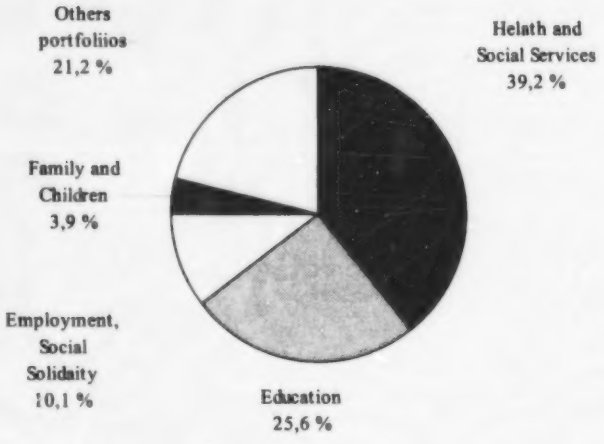
- Spending in "Santé et Services sociaux" represents nearly 40% of program spending in the 2000-2001 Expenditure Budget;
- The three biggest sectors in terms of spending are "Santé et Services sociaux", "Éducation" and "Emploi, Solidarité sociale," representing over three-quarters of program spending combined;
- The other programs combined represent one fifth of program spending.

In terms of the breakdown of total expenditures, this chart reveals that

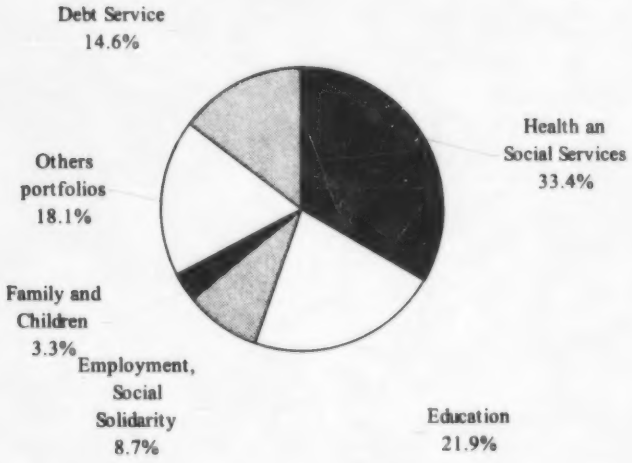
- Debt service accounts for 14.6% of the expenditure budget, a share that is constant since the zero-deficit target was attained in 1998-1999.

Chart 11.7: Breakdown of total expenditures by major sector in 2000-2001 (%)

Program spending



Total expenditure



Comparison of changes in absolute spending

Chart 11.8 illustrates the changes in expenditures for the major sectors since 1985-1986, in billions of dollars. The following observations are worth noting.

— Expenditures in "Santé et Services sociaux" increased clearly faster than all other sectors during the period from 1985-1986 to 2000-2001.

— Spending in the "Santé et Services sociaux" sector began to grow again in 1998-1999. In 2000-2001, expenditures will reach $15.5 billion.

— Since 1991-1992, expenditures in "Éducation" has plateaued at about $10.0 billion.

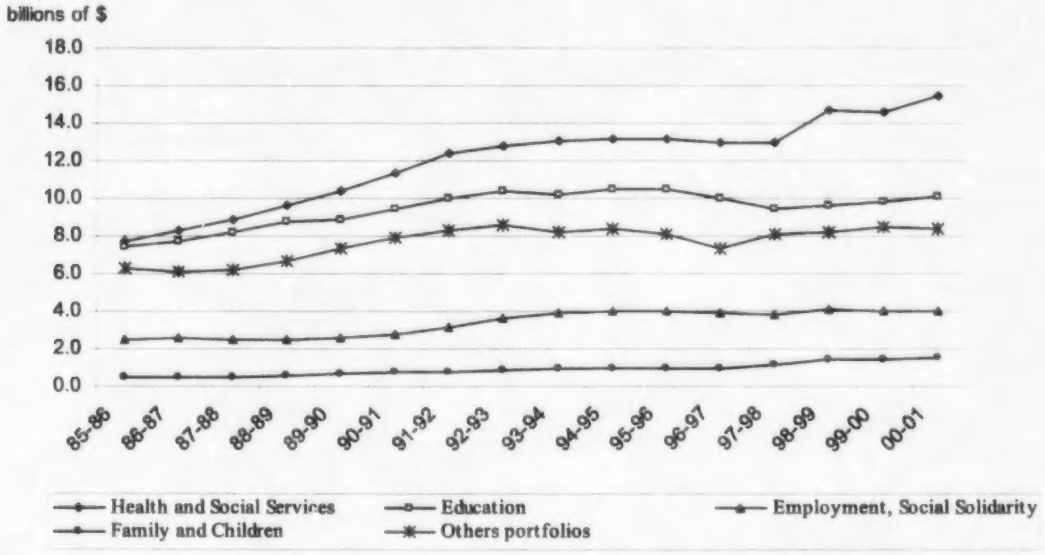
— Since 1994-1995, spending in "Emploi, Solidarité sociale" has levelled off to some $4.0 billion.

— Spending in the "Famille et Enfance" sector has continued to rise since 1985-1986;

— Spending in the "Other portfolios" sector has levelled off to nearly $8.0 billion since 1991-1992, with a significant reduction in spending in 1996-1997.

The following pages present an analysis of the expenditure growth rate, by major sector, for the period under study.

Chart 11.8: Change in expenditures by major sector since 1985-1986 ($ billions)



Comparison of changes in expenditures

Chart 11.9 compares the average expenditure growth rate forecast for 2000-2001, by major sector, with the average change in expenditures for the past five years. A number of points are worth noting.

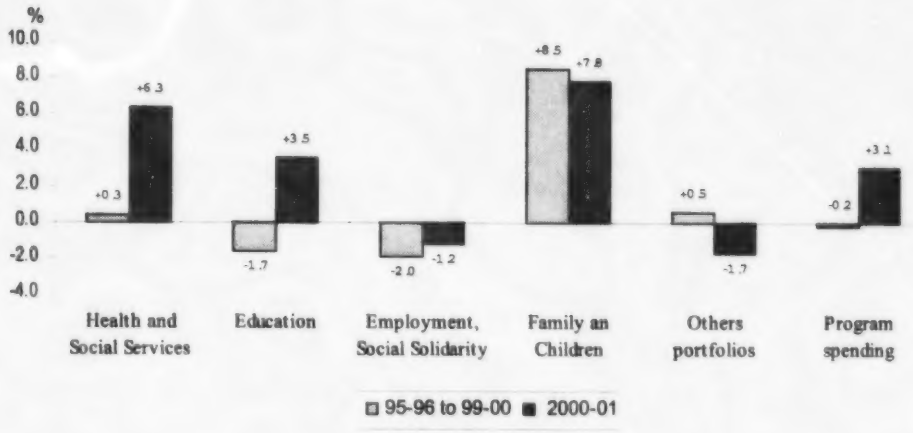
— Expenditures in the "Famille et Enfance" sector have grown significantly, increasing an average of 8.5% per year over the past five years.

— All the other major sectors experienced very low growth or a decrease in spending.

— In 2000-2001, "Famille et Enfance," "Santé et Services sociaux" and "Éducation" reported significant increases in expenditures (7.8%, 6.3% and 3.5% more respectively) over the previous year. On the other hand, "Emploi, Solidarité sociale" and "Other portfolios" reported expenditure decreases of 1.2% and 1.7% respectively.

It must be noted that these rates are calculated on the basis of current dollars

Chart 11.9: Average annual change in program spending by major sector (%)



Change in expenditures in the "Santé et Service sociaux" sector

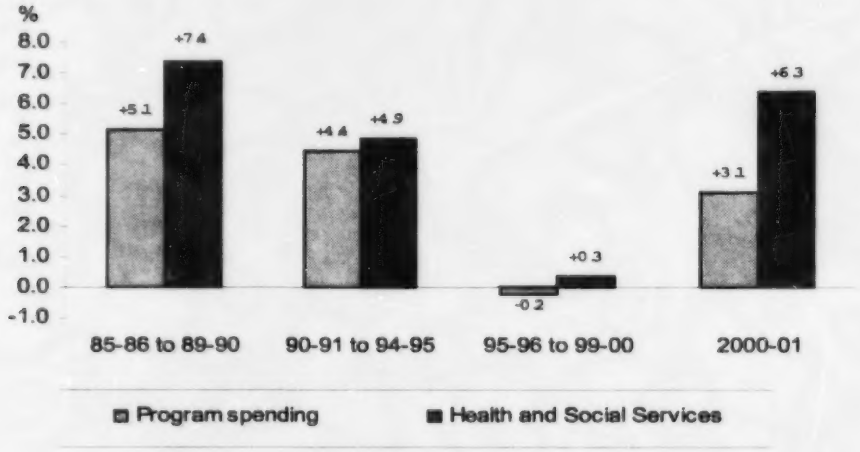
Chart 11.10 compares the average annual change in expenditures in the "Santé et Services sociaux" sector, by period, between 1985-1986 and 2000-2001 with the change in expenditures in all government programs. This chart reveals a number of trends.

— The expenditure growth rate slowed down significantly during the period analyzed, dropping from an average of 7.4% during the period between 1985-1986 and 1989-1990, to 4.9% between 1990-1991 and 1994-1995, and 0.3% between 1995-1996 and 1999-2000;

— Nonetheless, during all periods, this sector reported an expenditure growth rate slightly higher than that of all programs combined.

— The 2000-2001 Budget indicates a high expenditure growth rate for "Santé et Services sociaux," i.e. more than double that of all programs combined.

Chart 11.10: Change in expenditures in the "Santé et Services sociaux" sector vs. all programs combined (%)



Change in expenditures in the "Éducation" sector

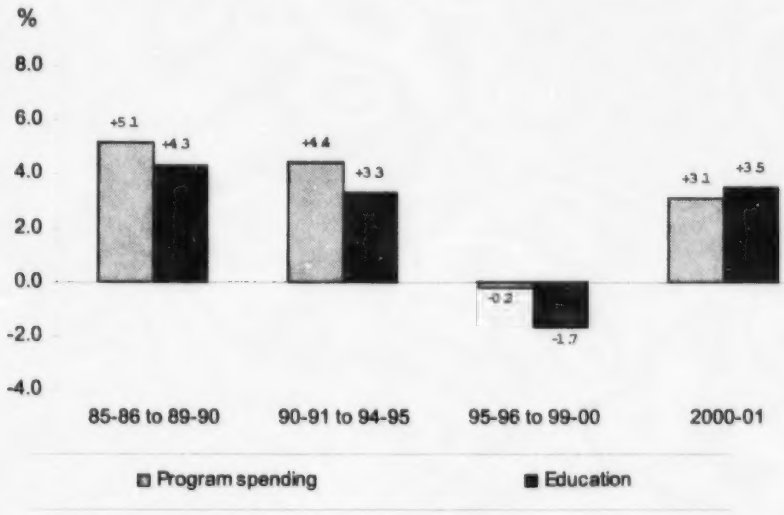
Similarly, Chart 11.11 compares the change in expenditures in the "Éducation" sector during the same period with the change for all programs combined. This chart reveals a number of trends analyzed below.

— During the fifteen years examined, the "Éducation" sector experienced slower average growth than all programs combined.

— During the five-year period from 1995-1996 to 1999-2000, this sector experienced a significant reduction in expenditures, compared with a spending freeze for all sectors combined. In fact, the average change in expenditures was -1.7% for this sector compared with -0.2% for all programs combined.

— In 2000-2001, expenditure growth in the "Éducation" sector is expected to be slightly higher than that of all program spending combined.

Chart 11.11: Change in expenditures in the "Éducation" sector vs. all programs combined (%)



Change in expenditures in the "Emploi, Solidarité sociale" sector

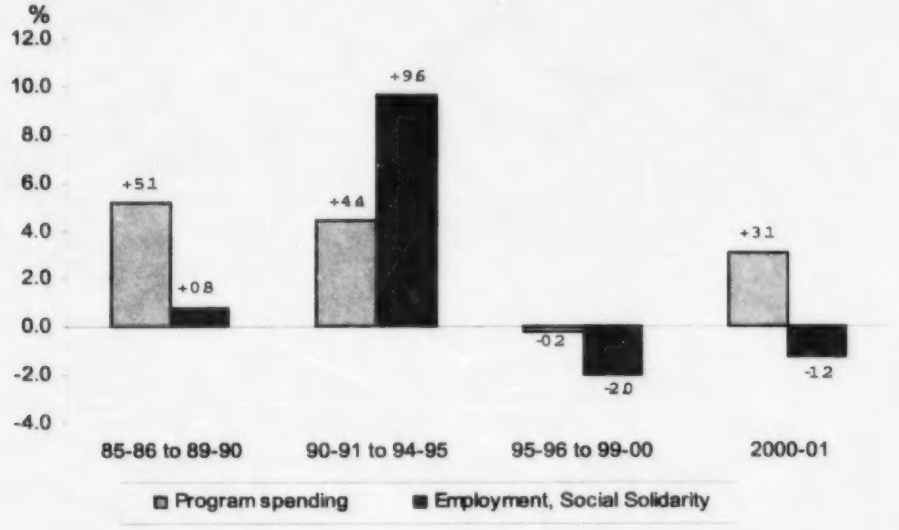
Chart 11.12 shows the change in expenditures in the "Emploi, Solidarité sociale" sector during the same period, compared with the change for all programs combined. This chart reveals a number of trends.

— During the period from 1990-1991 to 1994-1995, "Emploi, Solidarité sociale" posted one of the highest increases in expenditures; this increase was significantly greater than that of all programs combined because of the effects of the 1990-1991 recession.

— During the period from 1995-1996 to 1999-2000, annual expenditures decreased by 2.0%, compared with a decrease of 0.2% for all sectors combined.

— For the 2000-2001 budget year, a 1.2% decrease in expenditures is forecast for "Emploi, Solidarité sociale," compared with a 3.1% increase for all programs combined.

Chart 11.12: Changes in expenditures in the "Emploi, Solidarité sociale" sector vs. all programs combined (%)



Change in expenditures in the "Famille et Enfance" sector

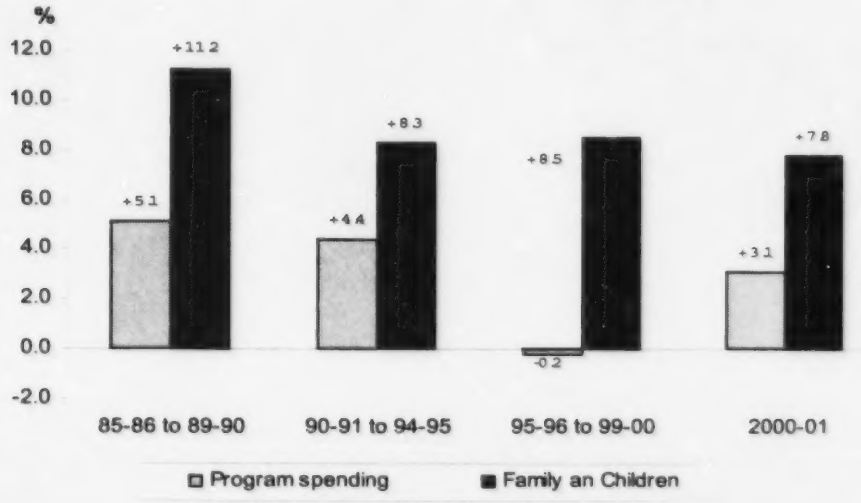
Chart 11.13 shows the change in expenditures in the "Famille et Enfance" sector for the same period, compared with the change for all programs combined. This chart reveals a number of trends.

— This sector reported significant growth in expenditures; in fact, expenditures were higher than those in all government programs during all the periods analyzed.

— Despite budget cutbacks imposed on all other sectors over the past five years, expenditures in "Famille et Enfance" have increased by an annual average of 8.5% during this period, compared with a 0.2% decrease in all sectors combined.

— The significant increase in expenditure in this sector will continue in 2000-2001; they are expected to increase nearly 7.8%, compared with 3.1% for all programs combined.

Chart 11.13: Change in expenditures in the "Famille et Enfance" sector vs. all programs combined (%)



Change in expenditures in the "Other portfolios" sector

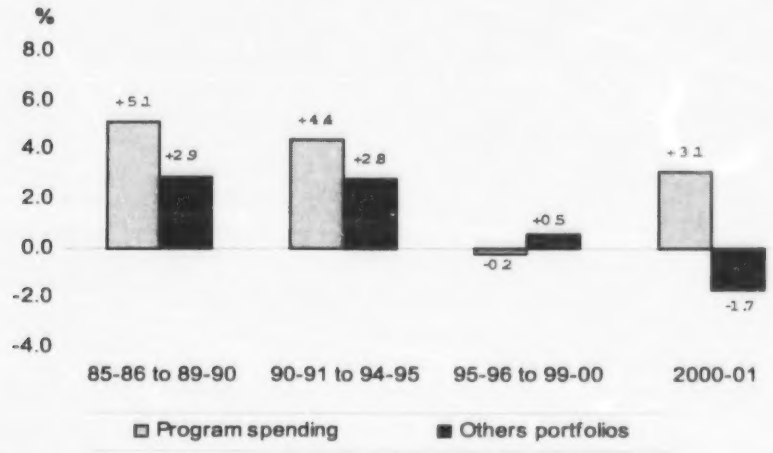
Chart 11.14 shows the overall change in expenditures in all portfolios other than "Santé et Services sociaux," "Éducation," "Emploi, Solidarité sociale," and "Famille et Enfance." A large part of these expenditures concern government operations. This chart reveals a number of trends, which are analyzed below.

— During all the periods examined, the overall increase in expenditures in this sector was significantly less that that for all programs combined.

— On the whole, these sectors reported the lowest increases and biggest decreases in expenditures during the last fifteen years.

— Major expenditure restrictions in this sector will continue in 2000-2001; in fact, expenditures are expected to drop 1.7%, despite a 3.1% increase in program spending.

Chart 11.14: Change in expenditures in the "Other" sectors vs. all programs combined (%)



3. COMPARISON OF OVERALL EXPENDITURES WITH THE OTHER PROVINCES

The purpose of this section is to compare the Québec government's expenditures with those of other provincial governments, notably program spending as a percentage of GDP, annual changes in program spending and the proportion of debt service to total expenditures.

It also presents a comparison of overall public and private spending, as a percentage of the GDP, in health and education with all other provinces and select OECD countries.

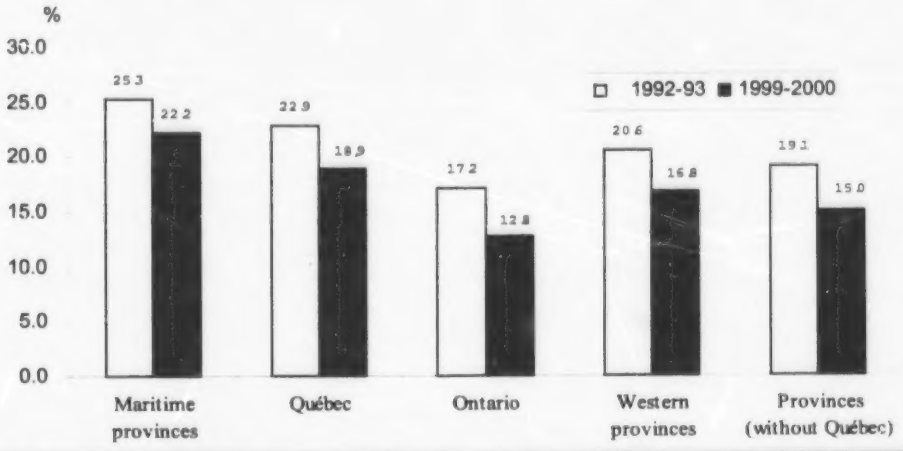
Comparison of the level of program spending as a percentage of GDP

Chart 11.15 compares the level of program spending, as a percentage of GDP, with that of other provincial governments for 1992-1993[3] and 1999-2000. A number of points are worth noting.

— The Québec government's program spending level, as a percentage of GDP, was clearly greater than that of Ontario and the Western provinces, in both 1992-1993 and 1999-2000. For fiscal year 1999-2000, this rate is more than 25% higher than the average of other provincial governments.

— In most provincial governments, there was a drop in the level of program spending, as a percentage of GDP, between 1992-1993 and 1999-2000. This is primarily due to the efforts to reduce government spending applied by all governments in this period. Québec's situation is similar to that of the other provinces.

Chart 11.15: Program spending as a percentage of GDP in Québec and other provinces



Comparison of changes in program spending

[3] Program spending, as a percentage of GDP, reached one of the highest levels in 1992-1993 in most provinces, including Québec.

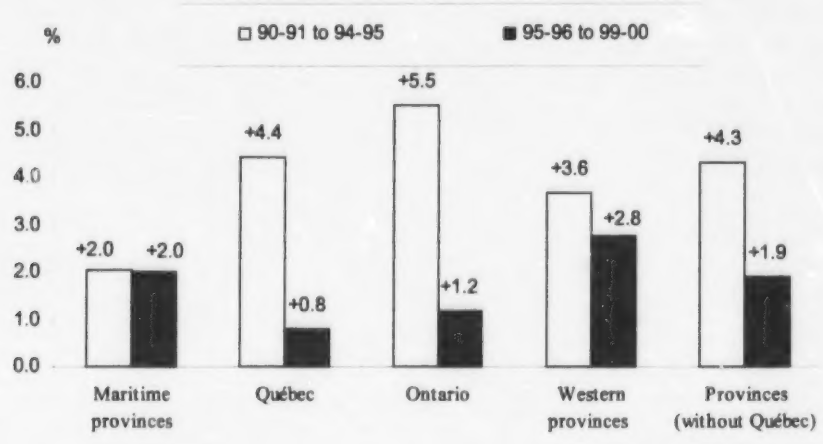
Chart 11.16 compares the average changes in program spending by the provincial governments during the last decade. The chart, which breaks down the data into two periods (i.e. from 1990-1991 to 1994-1995 and from 1995-1996 to 1999-2000), reveals a number of interesting points.

— The period from 1990-1991 to 1994-1995 was marked by substantial growth in overall program spending by all provincial governments, mainly due to the effects of the recession of the early 1990s. In Québec, these expenditures increased at an annual rate similar to those of other provinces.

— The period from 1995-1996 to 1999-2000 was marked by substantial reduction in program spending in most provinces, including Québec, due to spending cutbacks and lower inflation.

— During the last five years, Québec and Ontario reported the lowest spending increases of all the provincial subgroups analyzed; this is due to the fact that the two provinces launched a spending reduction program later than almost all other provinces.

Chart 11.16: Annual average change in program spending in Québec and other provinces (%)



Source: Ministère des finances du Québec and provincial budgets.

Comparison of debt service expenditures as a proportion of total expenditures

The proportion of debt service expenditures to total expenditures is an indicator of the impact of government debt on budgeted expenditures.

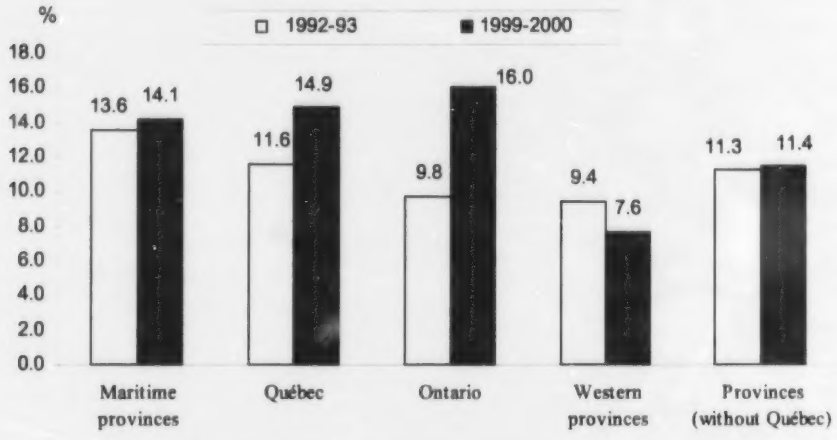
Chart 11.17 compares, for 1992-1993 and 1999-2000, the proportion of interest expenditures of the Québec government with that of other provincial governments. This chart allows us to make a number of observations.

— In 1999-2000, the Québec government's debt service ratio was, along with that of Ontario, one of the highest ratios of any province.[4]

— This proportion dropped significantly in the Western provinces since they have eliminated their budget deficits for several years and have implemented debt payment programs.

— The Western provinces have the lowest debt service ratios because of their significantly lower debt levels and because they implemented expenditure reduction programs earlier.

Chart 11.17: Debt service expenditures in relation to total expenditures in Québec and other provinces for 1992-1993 and 1999-2000 (%)



Source: provincial budgets and ministère des Finances du Québec.

Note: For Québec, the ratio is not included interest on subsidised debt. If this is included, the ratio would be 14.7 in 1992-1993 and 17.8 in 1999-2000.

[4] The debt service expenditures increased considerably in Québec and Ontario between 1992-1993 to 1998-1999.

Comparison of total government spending with select OECD countries

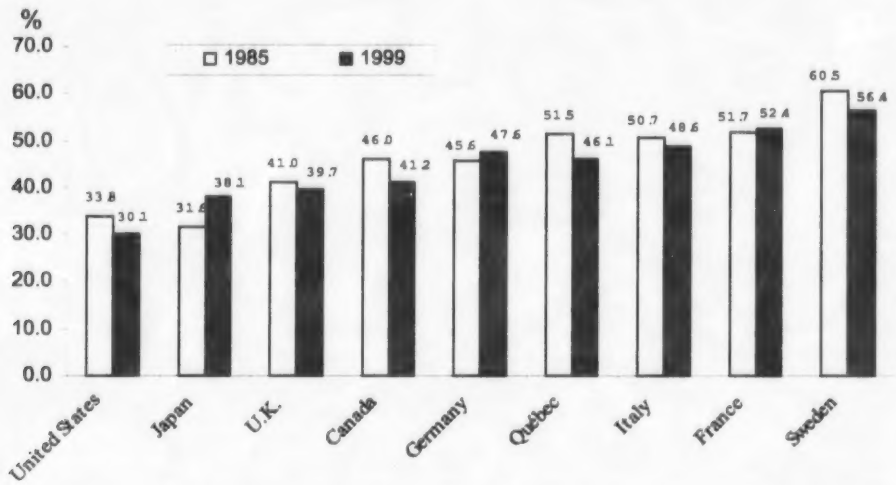
Government expenditure expressed as a percentage of GDP gives an indication of the size of the public sector in the economy. Chart 11.18 presents a comparison of total consolidated expenditures at different levels of government in select OECD countries. This chart reveals a number of trends for 1985 and 1999.

— Among the countries analyzed, Sweden remains the country with the largest public sector in terms of spending in the economy; France comes a distant second, both in 1985 and 1999; and the United States and Japan ranked last with the smallest public sector.

— Québec has the fourth largest public sector in the economy, after Sweden, France and Italy.

— From 1985 to 1999, the size of the public sector decreased considerably in the United States, Canada and Québec, and slightly increased in Japan and France.

Chart 11.18: Total government spending in select OECD countries (% of GDP)



Source: OECD Statistics on public sector, (National accounts), OECD, 1999 edition.
Note : For 1999 estimates.
The Québec percentages are estimates based on the OECD percentages for Canada.

Comparison of public and private health spending with Canadian provinces

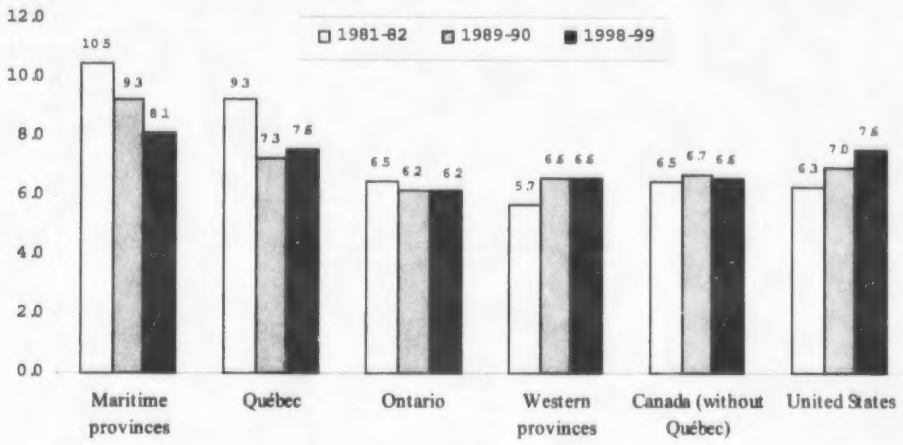
Chart 11.19 presents the overall level of public and private health spending, as a percentage of GDP, in Québec and in the Canadian provinces. This chart reveals a number of points.

— Overall public and private spending in health care in Québec increased significantly from 1980 to 1990, and decreased slightly or levelled off between 1990 and 1999; spending went from 8.1% of the GDP in 1980, to 9.2% in 1990 and 9.1% in 1999.

— A similar trend can be observed in health care spending in Ontario and the Western provinces, but not in the Maritime provinces.

— In 1999, total health spending in Québec was slightly higher than in Ontario, but markedly lower than the average for the rest of Canada.

Chart 11.19: Total health spending (public and private) in Québec and other provinces (% of GDP)



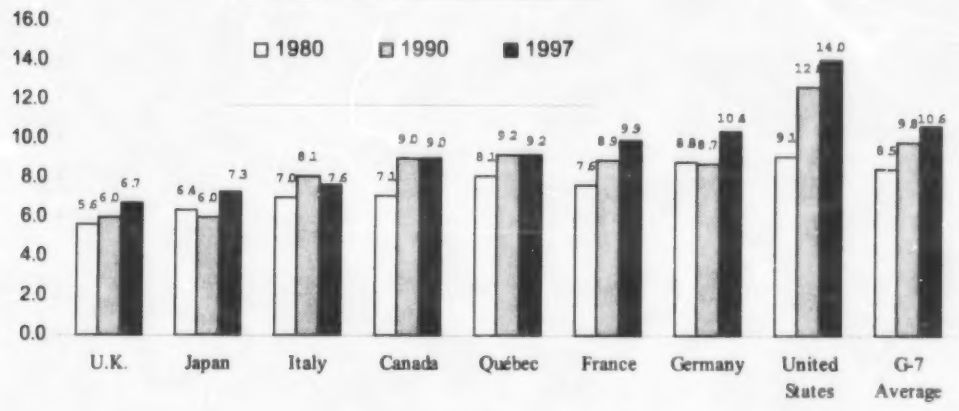
Source: Ministère de la Santé et des Services sociaux du Québec, 1999.

Comparison of public and private health spending with select OECD countries

Chart 11.20 presents the total level of public and private health spending, as a percentage of GDP, in select OECD countries (G-7 countries). This chart reveals a number of points.

- Although the share of health care spending in the economy increased in most of countries analyzed between 1990 and 1997, it remained stable in Canada and Québec during the same period.
- The United States remains the OECD country that allocates the most resources to health care; this allocation of resources has increased since 1990.
- In 1997, Germany and France allocated the most resources to health care after the United States.

Chart 11.20: Total health spending (public and private) in the G-7 countries (% of GDP)



Source: Ministère de la Santé et des Services sociaux du Québec and OECD, 1999.

Comparison of public and private education spending with Canadian provinces

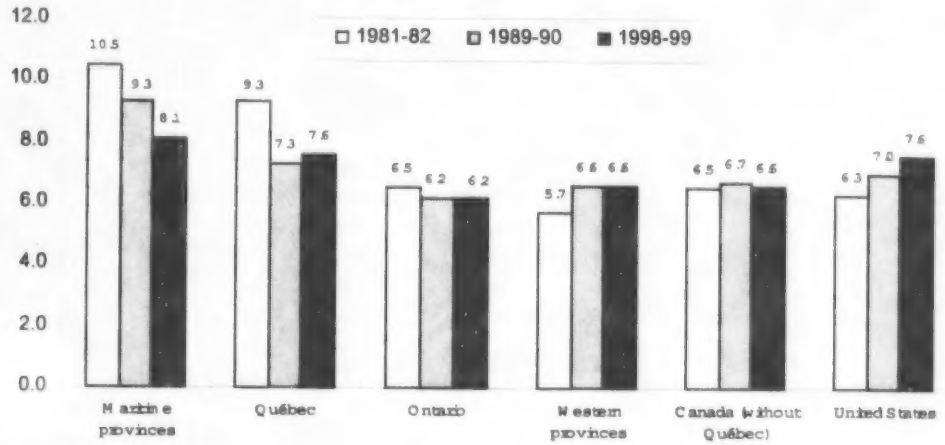
Chart 11.21 shows overall public and private education spending, as a percentage of GDP, in Canada and the United States. From this data, it is possible to draw a number of conclusions.

— In 1998-1999, Québec allocated approximately 7.6% of its GDP to education, compared with 6.2% in Ontario, 6.6% in the western provinces, 7.6% in the United States and 8.1% in the maritime provinces.

— In 1998-1999, overall education spending in Québec was higher than in Ontario, the Western provinces and the rest of Canada; Québec's level of spending in education was equal to that of the United States.

— The level of resources (as a percentage of GDP) allocated to education in Québec has remained about the same since 1989-1990. This levelling-off was also noted in the other provinces.

Chart 11.21: Total education spending (public and private) in different regions of Canada and in the United States (% of GDP)



Source: Ministère de l'éducation du Québec, Indicateurs de l'éducation, 1999 edition.

Comparison of public and private education spending with select OECD countries

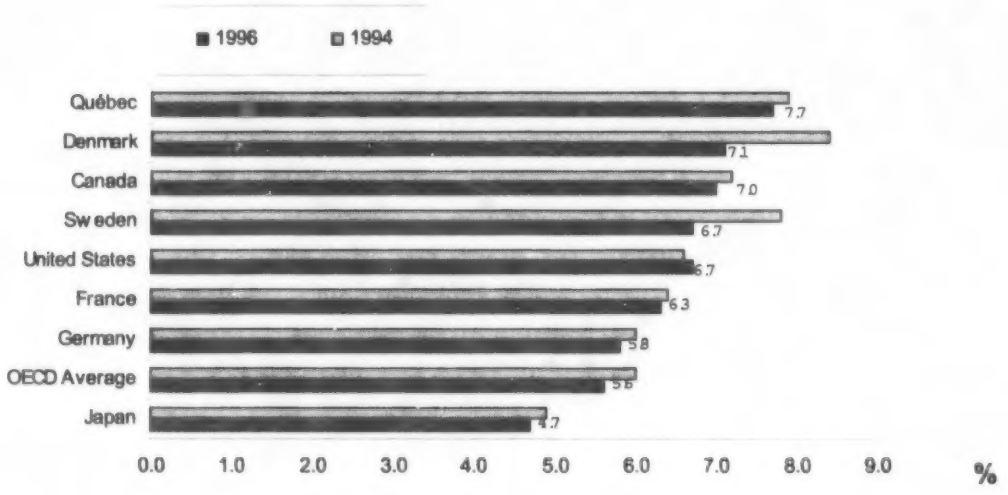
Chart 11.22 presents a comparison of the total level of education spending (as a percentage of GDP) in select OECD countries. This chart allows us to draw a number of conclusions.

— The level of education spending in the countries analyzed varies considerably, due to major differences in educational systems.

— According to the measurement and comparison system used by the OECD, Québec allocated approximately 7.7%[5] of its GDP to education in 1996,[6] compared with 7.0% in Canada and 5.6% in all OECD countries combined.

— According to OECD data, Québec allocated significantly more resources to education in 1996 than most OECD countries.

Chart 11.22: Total education spending (public and private) in select OECD countries in 1994 and 1996 (% of GDP)



Source: OECD, Education at a Glance.
OECD, OECD in figures, OECD, 1999 edition.

5 In Québec, this ratio is estimated on the basis of the ratio for Canada.
6 Most recent year for which data are available.

APPENDIX A

Summary of the changes in expenditure indicators between 1985-86 and 2000-2001

	Average 1985 to 1989	Average 1990 to 1994	Average 1995 to 1999	Average 2000-2001
Change in expenditure[1]:				
Santé et Services sociaux, (billions of $)[2]	9.0	12.5	13.6	15.5
Nominal change (%)	*7.4*	*4.9*	0.3	6.3
Education, (billions of $) 3	8.2	10.1	9.9	10.1
Nominal change (%)	*4.3*	*3.3*	(1.7)	3.5
Employment and Solidarity, (billions of $)[4]	2.5	3.5	4.0	4.0
Nominal change (%)	*0.8*	*9.6*	(2.0)	(1.2)
Family and Children, (billions of $)	0.5	0.9	1.2	1.5
Nominal change (%)	*11.2*	*8.3*	8.5	7.8
Other sectors, (billions of $)	6.5	8.3	8.1	8.4
Nominal change (%)	*2.9*	*2.8*	0.5	(1.7)
Program spending, (billions of $)	26.7	5.0	36.7	39.5
Nominal change (%)	*5.1*	*7.6*	*(0.2)*	*3.1*
Debt service, (billions of $)[5]	3.7	5.0	6.4	6.8
Nominal change (%)	*6.3*	*7.6*	*2.9*	*0.4*
Total expenditures, (billions of $)	30.4	40.3	43.1	46.2
Nominal change (%)	*5.2*	*4.8*	*0.2*	*2.7*
Debt service/Total expenditures	12.1	12.4	14.8	14.6
Nominal change (%)				
Expenditure indicators				
Total expenditures as a % of nominal GDP	23.7	25.1	23.0	21.7
Nominal change (%)	(2.4)	2.1	(2.4)	(2.5)
Program spending as a % of nominal GDP	20.8	22.0	19.6	18.5
Nominal change (%)	(2.3)	1.7	(2.7)	(2.1)
Program spending, per capita, current $	3,936.1	4,956.2	5,033.7	5,356.7
Nominal change (%)	*3.3*	*3.6*	*0.4*	*2.8*
Program spending, per capita, 1992 $	4,819.0	4,999.0	4,690.0	4,749.0
Nominal change (%)	*(0.2)*	*0.8*	*(1.2)*	-
Principal socio-economic indicators :				
Population (thousands) [6]	6,785.2	7,110.9	7,297.3	7,366.5
Nominal change (%)	0.9	0.8	0.4	0.3
Nominal gross domestic product (in millions of $) [6]	129,081.0	160,235.9	188,003.4	213,316.0
Growth of nominal Québec GDP (%)	*8.2*	*2.7*	*3.6*	*5.3*
Canada CPI (base 1992=100) [6]	81.7	99.1	107.3	112.8
Nominal change (%)	*4.3*	*2.8*	*1.6*	*2.1*

1 Expenditures are on a comparable basis according to the 2000-2001 budget structure. They include adjustements concerning the Public Curator.

2 Overall 1998-1999 expenditures include $1,207 million for financial restructuring and consolidation of health and social services establishments, but the average percentage change excludes this impact.

3 The overall 1998-1999 amount includes $170 million for improving the university situation, but the percentage change excludes this impact.

4 The 1998-1999 percentage change does not include $439 million relating to the Canada-Québec Agreement Concerning the Labour Market.

5 Debt service includes the effects of the accounting reform beginning in 1997-1998, and does not include interest on subsidized debt.

6 Based on annual data corresponding to the calendar year ending three months before the fiscal year.

APPENDICES

ECONOMIC AND BUDGETARY INDICATORS
1985-1986 TO 2000-2001

APPENDIX A

Evolution of expenditures over 15 years

	Program spending [1]		Debt service		Total expenditures	
	$M	%	$M	%	$M	%
1985-1986	24,382.1	5.1	3,354.4	11.4	27,736.5	5.6
1986-1987	25,102.9	3.0	3,556.2	6.0	28,659.1	3.3
1987-1988	26,302.1	4.8	3,674.9	3.3	29,977.0	4.6
1988-1989	28,059.7	6.7	3,736.0	1.7	31,795.7	6.1
1989-1990	29,799.7	6.2	4,081.1	9.2	33,880.8	6.6
1990-1991	32,301.6	8.4	4,436.7	8.7	36,738.3	8.4
1991-1992	34,649.0	7.3	4,666.0	5.2	39,315.0	7.0
1992-1993	36,215.7	4.5	4,756.3	1.9	40,972.0	4.2
1993-1994	36,199.7	(0.0)	5,316.4	11.8	41,516.1	1.3
1994-1995	36,907.7	2.0	5,881.9	10.6	42,789.6	3.1
1995-1996	36,702.4	(0.6)	6,033.6	2.6	42,736.0	(0.1)
1996-1997	35,253.7	(3.9)	5,855.0	(3.0)	41,108.7	(3.8)
1997-1998	35,483.6	0.7	6,765.3	15.5	42,248.9	2.8
1998-1999	37,964.0	1.9 [2]	6,573.3	(2.8)	44,537.3	1,1 3
1999-2000	38,274.0	0.8	6,724.0	2.3	44,998.0	1.0
2000-2001	39,460.0	3.1	6,750.0	0.4	46,210.0	2.7

[1] Data concerning program spending are presented according to the 2000-2001 budget structure and include adjustments relating to the Public Curator.

[2] Rate corrected in order to exclude on the one hand the impact of of the Canada-Québec Agreement Concerning the Labour Market which took effect in 1998-1999, and on the other hand the impact of extraordinary expenditures in 1998-1999 for the implementation of the financial restructuring and consolidation plan of the institiutions of the health and social services network, and to improve the financial situation of universities. The rate of growth taking these expenditures into account would have been 7.0%.

APPENDIX B

Evolution over 15 years of certain indicators specific to Québec

	Population [1]	GDP growth rate [2]	Inflation rate in Canada [3]	Program spending as % of GDP	Program spending per capita	
	('000)	(%)	(%)	(%)	($)	(%)
1985-1986	6,665.7	7.6	4.0	22.5	3,658	4.6
1986-1987	6,708.4	8.4	4.1	21.4	3,742	2.3
1987-1988	6,782.8	9.9	4.4	20.4	3,878	3.6
1988-1989	6,839.6	10.0	4.0	19.8	4,103	5.8
1989-1990	6,929.5	5.1	5.0	20.0	4,300	4.8
1990-1991	7,004.4	3.5	4.8	20.9	4,612	7.2
1991-1992	7,064.7	1.3	5.6	22.2	4,905	6.4
1992-1993	7,112.8	1.3	1.5	22.9	5,092	3.8
1993-1994	7,165.2	2.4	1.8	22.3	5,052	(0.8)
1994-1995	7,207.3	5.0	0.2	21.7	5,121	1.4
1995-1996	7,241.4	4.1	2.2	20.7	5,068	(1.0)
1996-1997	7,274.0	1.5	1.6	19.6	4,847	(4.4)
1997-1998	7,308.1	4.1	1.6	18.9	4,855	0.2
1998-1999	7,323.0	3.2	0.9	19.6	5,184	6.8
1999-2000	7,345.4	4.8	1.7	18.9	5,211	0.5
2000-2001	7,366.5	5.3	2.1	18.5	5,357	2.8

[1] Population as at July 1 of the corresponding fiscal year.
[2] The GDP is calculated on a nominal basis, taking the annual average for the calendar year ending three months before the end of the fiscal year under consideration.
[3] This rate is calculated using the consumer price index for the calendar year ending three months before the end of the fiscal year under consideration.

Socio-economic data source: Statistiques Canada and the ministère des Finances du Québec for forecasts.

APPENDIX C

Expenditures by portfolio from 1985-1986 to 2000-2001

	2000-2001 Expenditure Budget	1999-2000 Probable Expenditures	Actual Expenditures				
			1998-1999	1997-1998	1996-1997	1995-1996	1994-1995
Affaires municipales et Métropole	1,207,027	1,113,949	1,011,151	1,198,458	1,259,915	1,440,227	1,431,951
Agriculture, Pêcheries et Alimentation	719,469	533,265	549,750	514,759	600,006	659,056	656,958
Assemblée nationale	73,540	72,104	70,550	64,584	70,437	76,610	77,417
Conseil du trésor, Administration et Fonction publique	619,685	428,955	425,359	607,586	616,062	520,541	543,253
Conseil exécutif	59,843	180,120	44,437	40,620	44,856	61,018	61,089
Culture et Communications	432,775	457,942	492,476	391,841	391,735	400,097	405,812
Éducation	10,107,492	9,764,067	9,579,548	9,448,604	10,039,662	10,453,498	10,446,433
Emploi, Solidarité sociale	3,997,387	4,046,720	4,133,223	3,762,292	3,943,143	4,008,017	3,994,974
Environnement	173,728	253,284	180,452	152,361	179,584	189,248	194,291
Famille et Enfance	1,548,010	1,436,071	1,399,502	1,186,981	999,634	998,190	968,496
Faune et Parcs	102,540	75,201	107,911	117,474	86,964	83,001	88,818
Finances (excluant le service de la dette)	508,169	357,159	354,039	311,932	188,077	261,926	305,788
Industrie et Commerce	151,473	152,202	144,911	173,108	159,004	170,984	165,019
Justice et Condition féminine	463,320	465,659	492,190	459,371	465,368	459,523	494,310
Personnes désignées par l'Assemblée nationale	41,646	42,583	93,723	36,346	42,381	99,365	85,778
Recherche, Science et Technologie	213,652	304,589	243,131	137,980	138,799	138,147	142,379
Régions	124,026	153,709	133,082	105,568	130,457	162,846	176,627
Relations avec les citoyens et Immigration	171,269	171,966	160,668	154,577	160,624	159,006	163,089
Relations internationales	110,900	119,351	108,442	97,266	103,327	120,207	116,937
Ressources naturelles	329,025	476,970	369,333	300,171	345,751	375,925	405,961
Revenu	614,614	658,881	845,330	1,085,383	630,833	510,719	490,129
Santé et Services sociaux	15,456,524	14,534,621	14,666,886	12,984,074	12,920,327	13,100,578	13,132,435
Sécurité publique	670,336	701,593	703,471	663,660	696,069	718,529	718,568
Tourisme	53,336	110,889	75,130	57,330	53,168	43,494	49,566
Transports	1,443,989	1,588,839	1,506,581	1,363,457	930,200	1,460,402	1,551,111
Travail	66,225	73,314	72,023	67,848	68,420	70,133	74,057
Variation in the provision for investment losses	0	0	0	0	(11,105)	(38,926)	(33,599)
Program Spending	39,460,000	38,274,000	37,963,299	35,483,631	35,253,698	36,702,361	36,907,647
Debt service	6,750,000	6,724,000	6,573,309	6,765,342	5,855,016	6,033,608	5,881,892
Total Expenditures	**46,210,000**	**44,998,000**	**44,536,608**	**42,248,973**	**41,108,714**	**42,735,969**	**42,789,539**

Actual Expenditures

1993-1994	1992-1993	1991-1992	1990-1991	1989-1990	1988-1989	1987-1988	1986-1987	1985-1986
1,313,297	1,293,789	1,192,349	1,081,905	1,002,950	853,604	833,711	859,143	749,204
675,434	677,046	702,876	711,375	653,931	581,022	546,625	510,481	523,018
72,007	74,776	77,168	76,886	69,387	64,463	59,075	54,804	62,467
524,983	586,191	542,608	541,156	502,816	497,349	494,658	496,441	449,434
48,846	47,129	44,785	39,371	36,903	36,190	32,199	32,633	45,120
416,879	419,507	373,331	346,793	319,581	303,074	272,924	248,508	258,453
10,154,481	10,360,562	9,970,169	9,455,182	8,891,316	8,716,474	8,211,148	7,749,276	7,464,688
3,873,310	3,600,641	3,188,432	2,772,681	2,536,618	2,505,785	2,503,339	2,524,859	2,483,444
199,633	208,736	194,392	197,285	175,386	167,402	127,192	114,091	124,517
937,370	882,125	804,317	752,126	652,667	550,006	498,217	487,756	432,428
96,935	103,125	102,494	102,907	95,265	88,118	91,090	89,539	100,766
271,525	276,112	285,045	327,186	253,704	205,111	185,922	269,555	302,544
171,190	312,911	222,723	193,505	232,170	235,874	157,605	268,246	274,333
501,594	501,947	472,013	437,598	394,617	375,528	355,715	313,433	304,595
38,161	83,884	34,589	33,806	77,205	29,310	26,752	25,010	63,744
138,421	123,190	100,727	94,973	88,836	80,171	70,425	68,689	63,706
72,957	62,722	50,616	49,247	51,454	66,099	55,428	44,367	52,001
168,809	173,233	168,869	123,008	104,255	93,170	84,605	75,710	76,474
126,273	132,293	125,619	118,017	99,234	100,747	96,094	85,520	86,889
435,966	463,570	469,784	468,980	446,854	438,158	364,939	350,813	349,522
557,240	558,712	525,729	478,206	420,341	391,485	339,490	316,916	313,791
13,005,801	12,766,893	12,412,851	11,379,050	10,394,590	9,575,984	8,880,937	8,243,174	7,757,527
713,300	742,588	779,098	834,614	650,636	607,852	538,097	494,953	497,285
43,978	53,003	54,669	48,995	41,496	41,348	34,646	33,627	37,078
1,532,611	1,614,085	1,663,342	1,588,040	1,623,867	1,487,055	1,370,535	1,290,343	1,370,663
69,039	78,959	75,710	72,736	80,459	103,115	83,892	56,239	67,605
39,691	17,973	14,740	(24,030)	(96,874)	(134,749)	(13,165)	(1,173)	70,808
36,199,731	36,215,702	34,649,045	32,301,598	29,799,664	28,059,745	26,302,095	25,102,953	24,382,104
5,316,401	4,756,277	4,666,009	4,436,729	4,081,089	3,736,052	3,674,927	3,556,205	3,354,364
41,516,132	**40,971,979**	**39,315,054**	**36,738,327**	**33,880,753**	**31,795,797**	**29,977,022**	**28,659,158**	**27,736,468**